



Daily Report—

China

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Daily Report

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General

Foreign Ministry Holds Weekly News Conference

Comments on Japanese 'Aggression' Money

OW0812091494 Beijing XINHUA in English 0908
GMT 8 Dec 94

[FBIS Transcribed Text] Beijing, December 8 (XINHUA)—China hopes that Japan will work to find out the truth of what had happened in relation to the remains concerning the crime of aggression of Japanese militarists in history as soon as possible, said a Chinese Foreign Ministry spokesman here today.

The spokesman, Chen Jian, was commenting on the report that the competent authorities in Japan decided recently to allocate funds as soon as possible for the purpose of cremating the remains which may have been related to the crime of aggression of the Japanese militarists, at a weekly press conference held here this afternoon.

"We are concerned over this matter, and hope that the competent authorities in Japan will, in the spirit of humanitarianism and with an attitude of being responsible to history, work to find out the truth of what had happened in relation to those remains as soon as possible," Chen said.

Views Pena Taiwan Visit

HK0812132694 Hong Kong Television Broadcasts
Limited in English 1200 GMT 8 Dec 94

[From the "News at Eight" program—passages within italics are recorded]

[FBIS Transcribed Text] Beijing is sending a stern warning to the United States after the recent trip to Taiwan by a high ranking U.S. official. Joe Kainz has more.

[Joe Kainz] Predictably, Beijing is coming down hard on U.S. Transport Secretary Federico Pena's visit to Taipei. Mainland authorities call this week's trip a grave step toward improving America's ties with Taiwan and a serious violation of Sino-U.S. accords. Asked what is next, the Chinese Foreign Ministry spokesman said Beijing is going through many channels to let Washington know of its ire.

[Foreign Ministry spokesman recording in Mandarin, fading into English translation] The Chinese side expresses firm opposition and the strongest displeasure on that and has lodged solemn representations with the U.S. side.

[Kainz] Chen also said the recent elections for mayor and governor in Taiwan should be considered the island's internal affair, but he cautioned that anything that happens in Taiwan should aid reunification with the mainland and not add to division.

GATT Negotiator Threatens To Abandon Commitments

HK0812042394 Hong Kong SOUTH CHINA MORNING POST in English 8 Dec 94 p 1

[By Sheel Kohli in Geneva]

[FBIS Transcribed Text] China last night threatened to abandon 8-1/2 years of offers to open its markets to the West if the United States persisted with blocking its entry into the General Agreement on Tariffs and Trade (GATT) and being a founding member of the World Trade Organisation (WTO). The shock declaration was made by Long Yonzu, China's chief negotiator and deputy vice-minister at the Ministry of Foreign Trade and Economic Co-operation, at the end of the third day's session of talks with U.S. negotiators in Geneva. His comments were, by far, the strongest threats Beijing has made and could jeopardise the longest-running negotiations in GATT history, which along the way has produced a steadily opening up of China's markets to the outside world. The ground-breaking Uruguay Round of talks, which has been calculated to add US\$510 billion (HK\$3,937 billion) per annum of extra world income by the year 2005, might not be implemented by China.

After a morning of bilateral talks with the U.S. on opening up agricultural markets, Mr Long said no progress was made, despite having put new offers on the table. He said that he and his 20-strong team were "flabbergasted" by the continued "unreasonable" stance from the U.S..

Mr Long indicated that things had now come to a point where he was being forced to put China's position very clearly. "If China does not become a member of the WTO, then all the commitments we have made in the past will be made redundant and will be totally brought to nothing. If you exclude China from the organisation then it is logical that China will not abide by any of the offers it has made in the past. For instance, we have committed ourselves to implement the Uruguay Round. But if China is not in the WTO, how can you ask us to implement it."

Asked about the U.S. reaction to his warning that China would withdraw its concessions, Mr Long said: "We don't care about the U.S. response, and whether they like it or not." He said that he had faced another day of talks that had continued to be "difficult" and he maintained that the U.S. were continuing to adopt an "obstructive stance". "They are asking for the impossible."

As impasse loomed, the GATT secretariat appeared ready to intervene despite its supposedly neutral position. Following a 30-minute meeting on Tuesday with GATT Director-General Peter Sutherland, Mr Long claimed he had the Director-General's support for the year-end deadline China has insisted upon, to the consternation of some members. "I think Mr Sutherland is becoming very helpful to us. He has said that our decision to set the deadline should be respected."

However, the deadline is not being taken seriously by the U.S. delegation. Sources at the U.S. Trade Representative office in Geneva said that they were not prepared to negotiate with ultimatums. "We came here to make progress, we are here to pursue a good agreement, but not a quick agreement. We are not here to postpone, delay, or in any way hold up China's entry."

Sources on the U.S. team also confirmed that they were willing to look seriously at the informal proposal tabled by the European Union, which suggests allowing China in as a founding member of the WTO, even after the body is formally set up next month.

Wu Yi Explains Stand on GATT Reentry

OW0812101894 Beijing XINHUA Domestic Service in Chinese 0615 GMT 8 Dec 94

[By Reporter Jiang Jun (1203 6511)]

[FBIS Translated Text] Beijing, 8 Dec (XINHUA)—Wu Yi, minister of foreign trade and economic cooperation, pointed out in a recent speech: China's stand on "reentry into GATT" is firm yet flexible. Our stand can be summarized with the following four points: First, we promise to continue carrying out things we have already started; second, we promise to carry out as quickly as possible things already on the to-do list; third, things that we can do in the future but they are, for the time being, beyond our capacity to do all at once, we can promise to do them step by step according to a time table; fourth, we will never accept what is unacceptable to us, no matter how great is the outside pressure.

Explaining China's afore-mentioned stand, Wu Yi said: Issues including the transparency of China's foreign trade administration, terms of employment, and unified implementation of foreign trade policy belong to the first and second categories; the foreign exchange system, abolition of nontariff measures, and expansion of market access belong to the third category, which we can commit ourselves to a timetable and implement it step by step. Our stand, it may be said, is indeed realistic and flexible. Top among the issues in the fourth category is the status of China as a developing nation. We will never agree that China is not a developing nation.

She emphasized: Only by sticking to the stand that China is a developing nation will it be possible to ensure that China's obligations in the multilateral trade system would be compatible to its level of economic development at the present stage, so that "reentry into GATT" will not have too heavy a pounding on China's industries, that reform will be carried out in an orderly manner according to our timetable, and the economy will develop in a sustained, steady manner. Otherwise, "reentry into GATT" would impede the course of China's reform and opening up; it would, therefore, run counter entirely to our purpose of "reentry" and deprive it of any positive significance.

It has been learned that in order to meet, to the extent possible, the contracting parties' demands and in accordance with the endurance level of the Chinese economy, China has made huge substantive promises this year in negotiations on its "reentry into GATT." After making successive cuts on tariffs, China has promised to set a 35 percent ceiling on over 90 percent of tariffs and further reduce it to 30 percent five years after "reentry." Of all the commodities covered by China's 6,000 duty paragraphs [shui hao 4451 5714], only 700 or so are subject to nontariff restrictions. Of these, China has committed to eliminate restrictions on 600 of them according to a timetable and retain only minimum nontariff measures on the remaining duty paragraphs numbering less than 100. In service and trade sectors, China has made commitments in 36 categories or subcategories including banking, telecommunications, and sea transport. China is among the front ranks of developing nations in terms of categories it has committed to open up.

Li Guixian Speaks on Foreign Agricultural Expertise

OW0712153994 Beijing XINHUA in English 1454 GMT 7 Dec 94

[FBIS Transcribed Text] Beijing, December 7 (XINHUA)—Chinese State Councillor Li Guixian said today that China's introduction of overseas expertise will focus on serving the modernization of the country's agriculture in the next few years.

Addressing a national conference on the introduction of overseas expertise, which ended here this afternoon, Li said that priority should be given to agriculture in project arrangement and investment from now on.

He added that foreign experience in agricultural modernization should be absorbed and combined with China's construction of model bases for agricultural modernization and commodity grain, comprehensive development of agriculture and implementation of major agricultural projects.

The State Councillor pointed out that the introduction of overseas expertise should also serve the country's large and medium-sized enterprises, key projects, infrastructure and the training of professional personnel.

The five-day conference summarized the experience in the work of overseas expertise introduction in the past, and praised institutions and personnel who have done excellent jobs in this field.

Summit Faults West for Human Rights Violations

OW0712172494 Beijing XINHUA in English 1701 GMT 7 Dec 94

[“Roundup” by Ding Baozhong: “Human Rights No More Monopoly of West”]

[FBIS Transcribed Text] Kuala Lumpur, December 7 (XINHUA)—The two-day international conference on

"rethinking human rights" ended here today with many participants emphasizing the need to counter power politics in the international arena as part of their human rights struggle.

The participants also stressed the need to ensure developing countries' rights for development.

They shared Malaysian Prime Minister Mohamed Mahathir's view that after the Cold War ended, Western powers dropped their pretence at non-interference in the affairs of other nations.

Instead, the Western countries claim a right to impose their system of government, including the multi-party system, which if accepted and practised by developing countries will create chaos and cannot contribute to their development and well-being, Mahathir said.

Tissa Balasuriya from Sri Lanka said despite the unprecedented growth in economic productivity in the world as a whole, poverty increased in many countries, especially in South Asia, Sub-Saharan Africa and Latin America in the 1980's. The burden of debt repayment by the poor countries often deprives the poor of the means of livelihood, he said.

Malaysian scholar Martin Khor Kok Peng said that in the process of the economic globalization, major industrial countries will be able to make use of it to further subject the functions of the South economies to the interests of the North.

The outflow of economic wealth from the South to the North arises "out of the South's adverse position in the international structures of trade, finance, technology and distribution," he added.

Unmasking "freedom of expression" in the West, professor Edward Herman from the United States said dominant media in the West tend to "bias serviceable to a Western governing class interest" as they depend on corporate advertising for revenue.

Touching on the racial problem in the United States, Professor Ali Mazrui, a Kenyan academic teaching in the U.S., said approximately 40 percent of prisoners on death row are African-Americans.

"In the United States today, there are more male descendants of African slaves in prison than in college," he reminded.

Mohd. Idris, chairman of the Just World Trust, the organizer of the conference, pointed out in his closing remarks that the conference clearly revealed that the violation and denial of human rights to the majority of the population on this planet is rooted in the Western domination of the countries of the South.

He called on human rights activists to cooperate in monitoring and taking action against human rights violations by the Western powers. He also urged them to

develop a comprehensive charter of values and principles, responsibilities and rights, role and relationship acceptable to human beings.

Existing Regional Trade Accords in Americas Viewed

OW0812034194 Beijing XINHUA in English 0328
GMT 8 Dec 94

[“Backgrounder”]

[FBIS Transcribed Text] Miami, Florida, December 7 (XINHUA)—The following is a brief introduction to the existing subregional trade agreements in the Americas. The United States has said that one goal of the summit of the Americas is to consolidate these trade agreements.

The North America Free Trade Agreement (NAFTA), which goes into effect on January 1, 1994, groups the United States, Canada and Mexico and will have a far-reaching impact on trade and investment among the three countries. Under the agreement, the U.S. and Canada will gain access to Mexico's highly protected car market, and for the first time the U.S. and Canada will open their heavily protected textile and clothing industries to imports.

The Mercado Comun del Sur (Mercosur) brings together Argentina, Brazil, Paraguay and Uruguay. Established in March 1991, it allows for the free circulation of goods and services within the region by 1995. Tariffs are being reduced according to a progressive schedule. It also harmonizes the laws and regulations governing rules of origin, the settlement of disputes and safeguard measures.

The Andean Group is a free trade organization involving Bolivia, Colombia, Ecuador, Peru and Venezuela. Action to reduce trade barriers did not start within the group, formed in 1969, until the late 1980s. In 1991, the group members agreed that their common external tariffs should be as transparent as possible. In August 1992 the group passed a new intellectual property law.

The Central American Common Market (CACM) was formed as long ago as 1966 by Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua. Then, in April 1993, the Central American Free Trade Zone was established, and tariffs on intraregional trade for 5,000 products were reduced to a range of between five and 20 percent, with Nicaragua offered special treatment.

The Caribbean Community (Caricom) groups the Bahamas, Barbados, Guyana, Jamaica and Trinidad and Tobago. In August 1990, Caricom members agreed to eliminate all quantitative trade restrictions by mid-1991, but the move was delayed. In October 1992, Caricom agreed to reduce common external tariffs from 45 percent to 25 percent by the end of 1995. And the common external tariffs for agricultural products such as citrus fruits and rice are to be reduced to 40 percent and 30 percent respectively.

Pakistani Spokesman on U.S. Perry's Upcoming Visit

*OW0712162694 Beijing XINHUA in English 1544
GMT 7 Dec 94*

[FBIS Transcribed Text] Islamabad, December 7 (XINHUA)—U.S. Defense Secretary William Perry will come to Pakistan on January 7 for a two-day visit, Pakistan Foreign Office Spokesman Munir Akram announced here today at the weekly press briefing.

Perry's visit will provide an opportunity to review the present situation of cooperation between the two countries in the defense field, the spokesman said.

There will also be an exchange of security perceptions between the high-ranking officials of the two countries, he said.

"Pakistan and U.S. have a very long-standing relations in defense," Munir said. "We have extensive relations in the past," he added.

U.S. Under-Secretary of Defense for Policy Walter B. Slocombe is currently in Pakistan on a three-day visit which is termed as "preparatory to Perry's visit to the South Asia."

Munir told reporters that Pakistan and the U.S. officials exchanged views on the sale of U.S. F-16 fighters.

"We are working through the problem. We hope that we'll find an acceptable solution," he said.

He said options are still open: Either the U.S. would deliver the fighter jets or return the money Pakistan has paid.

Pakistan has paid millions of dollars for the purchase of 38 warplanes, but the U.S. failed to deliver them as it has suspended the supply of military equipment to Pakistan under the Pressler Amendment.

PRC, U.S. Take Part in Hanoi Agricultural Exhibit

*OW0612143694 Beijing XINHUA in English 1407
GMT 6 Dec 94*

[FBIS Transcribed Text] Hanoi, December 6 (XINHUA)—A five-day international agricultural exhibition opened here today with more than 70 domestic and foreign firms participating.

VIETNAM NEWS AGENCY reported that more than 40 foreign companies are taking part in the event.

Among the countries represented are Austria, China, Finland, Indonesia, Israel, Italy, Malaysia, New Zealand, Singapore, Slovakia and the United States, the report said.

On display are new hybrids, farm machines, food processing equipment, farm produce and packing materials.

During the run of the exhibition, a two-day seminar on post-harvest technology and livestock breeding will be held at which Vietnamese experts can exchange views with their foreign colleagues and gain a better understanding of advanced technology and new scientific developments, the report added.

Foreign Banks To Move to Shanghai's 'Wall Street'

*OW0712153894 Beijing XINHUA in English 1451
GMT 7 Dec 94*

[FBIS Transcribed Text] Shanghai, December 7 (XINHUA)—Three banks from Thailand, Germany and France, respectively, signed contracts and letters of intent with the municipal government of Shanghai, China's largest manufacturing center, this evening to relocate their representative offices to the city's "Wall Street".

The Bangkok Bank of Thailand, Dresdner Bank of Germany and Banque Indosuez of France will transfer their Shanghai offices to a street along the Huangpu River, where all the buildings will accommodate only financial organizations.

Shanghai will build the area along the Huangpu River into a central commercial district, said Hua Jianmin, director of Shanghai's Planning Committee, at the signing ceremony of the protocols.

Hua said that the central commercial district will house Chinese and foreign financial and trade organizations, headquarters of multinationals, comprehensive corporations and related service companies.

The move is part of Shanghai's strategy for turning itself into an international economic, financial and trading center, Hua said.

Shanghai will first evaluate 18 buildings in the district, and they will be sold through bidding, auction and agreement, Hua said.

Phallobh Sopitpongstorn, senior vice-president of the Bangkok bank, which will move to its new site in 1995, took part in the signing ceremony.

He said: "We're confident about the future of Shanghai as a financial metropolis, so we decided to build our China headquarters and computer network center here."

To date, Shanghai has 110 overseas financial organizations, the most among all Chinese cities.

XINHUA Notes Opening of U.S.-DPRK Talks

*OW0712144994 Beijing XINHUA in English 1441
GMT 7 Dec 94*

[FBIS Transcribed Text] Washington, December 6 (XINHUA)—The United States and the Democratic

People's Republic of Korea (DPRK) began their four-day expert-level talks here Tuesday morning on "consular and other technical issues" relating to the opening of liaison offices in each other's capital.

The opening of "liaison offices" was part of an agreed framework reached between the two countries on October 21 designed to resolve the nuclear issue in the Korean peninsular.

In the talks, the U.S. side is led by Lynn Turk, coordinator for U.S.-DPRK affairs of the East Asian and Pacific Bureau. The DPRK delegation is headed by Pak Sok-kyun, deputy director of the Foreign Ministry.

The five-member DPRK delegation made no comment to reporters when it arrived at the State Department for the first ever talks in Washington between the two countries that have no diplomatic relations.

Guangzhou Development Zone Attracts Multinationals

OW0712162994 Beijing XINHUA in English 1514
GMT 7 Dec 94

[FBIS Transcribed Text] Guangzhou, December 7 (XINHUA)—Eighteen of the 500 largest companies in the world have built factories in the Guangzhou Economic and Technological Development Zone, according to a zone official.

These companies include Pepsi Cola, Baxter and Colgate of the United States, Scherring of Germany, and Matsushita and Sumitomo of Japan, the official said.

He said these companies have introduced sophisticated technology to joint ventures in the zone, including Scherring (Guangzhou) Pharmaceutical Company, Matsushita Wanbao (Guangzhou) the Electric Iron Company and Baxter (Guangzhou) Medical Equipment Company.

Investors from 17 countries, including Australia, Britain, Canada, Japan, Singapore and the United States, have set up 400 companies in the zone since its establishment ten years ago, he said.

To date, 213 foreign-funded companies have gone into operation, he added.

Since 1984 the zone has attracted 400 million U.S. dollars in foreign funds, manufactured 15.4 billion yuan-worth of goods and exported 1.4 billion dollars-worth of goods to 50 countries, he said.

United States & Canada

Christopher Reaffirms U.S. Support to 'Arafat
OW0712233594 Beijing XINHUA in English 1918
GMT 7 Dec 94

[FBIS Transcribed Text] Jerusalem, December 7 (XINHUA)—U.S. Secretary of State Warren Christopher

today reaffirmed to PLO Chairman Yasir 'Arafat U.S. support to ensure "early empowerment" of the Palestinians.

During a meeting with 'Arafat in Gaza this afternoon, Christopher said he was expecting positive results from the current Israeli-PLO talks in Cairo.

He said Israel could not be expected to withdraw its troops from the Palestinian population centers unless the PLO could ensure the security in areas under its control.

Christopher, on his sixth peace shuttle to the Middle East, was the highest U.S. official to visit Gaza.

The half hour meeting between 'Arafat and Christopher was described by Palestinian officials as "frank and business-like."

Both men reportedly discussed the importance of early Palestinian elections as well and confirmed the financial support by donor states to the Palestinian authority.

Christopher's visit to Gaza came at a crucial time when the Israeli-PLO negotiations on next-stage autonomy seem to be at crossroads.

Out of security concerns for the Jewish settlements in the West Bank, a number of Israeli officials have called for revising the Oslo accord particularly concerning the Israeli Army withdrawal from the Palestinian population centers.

The Israeli cabinet has been discussing how the next-stage negotiations with the PLO should proceed, and a decision can be expected Thursday [7 December].

At the same time, the Palestinians are demanding fully Israeli implementation of the Oslo accord. Even if there will be amendments to the accord, they must be worked out through bilateral negotiations, said the officials.

Earlier today, Christopher, who arrived here Tuesday evening from Syria, held a meeting with Prime Minister Yitzhaq Rabin to discuss the Israeli-Syrian peace talks.

Following the meeting, Christopher told reporters that progress has been made in the Israeli-Syrian negotiations and the gaps between the two sides are being narrowed, but he declined to elaborate.

Rabin said he got a positive impression from Christopher about his talks Tuesday with Syrian President Hafiz al-Assad and he believed that the differences between Israel and Syria were not impossible to overcome.

As for a resumption of talks with Syria, Rabin stressed that only secret negotiations could pave the way for an agreement as Israel has done with Egypt, the PLO and to some extent with Jordan.

Christopher is scheduled to conclude his current Middle East trip Thursday morning.

Defense Secretary Views U.S. Position on Bosnia

*OW0712232294 Beijing XINHUA in English 1924
GMT 7 Dec 94*

[FBIS Transcribed Text] Washington, December 7 (XINHUA)—U.S. Defense Secretary William Perry denied Wednesday [7 December] that his country's credibility has been eroded by its refusal to send troops to Bosnia.

He said that unlike the oil-rich Gulf region, Bosnia is not "a vital national security interest of the United States" and therefore "we have not committed U.S. forces to the war" there.

The situations in the Gulf and Bosnia "are entirely different" and they are not comparable, he said when answering a question about the U.S. stance on the former Yugoslav Republic after a speech on the Gulf policy.

He said in his speech at the private Middle East Policy Council that U.S. credibility is an essential component of U.S. national security interests, which Washington should be ready to defend if necessary.

But he insisted that "we should never get in the habit of rattling our saber in response to every difficult situation."

While in Bosnia, he remarked, the U.S. role "is assisting NATO, which in turn is providing support for a UN peacekeeping operation. Our involvement there is in a peacekeeping operation, not in a combat operation."

Kantor's Remarks on GATT Membership Cited

OW0812114494 Beijing XINHUA Domestic Service in Chinese 1233 GMT 7 Dec 94

[By reporter Ying Qian (2019 6197)]

[FBIS Translated Text] Washington, 6 Dec (XINHUA)—U.S. Trade Representative Kantor said today that negotiations on China's reentry into the GATT are going "very slowly." He denied that the United States is the obstacle to China's reentry into the GATT.

Speaking at a briefing at Washington's Foreign Correspondents Club, Kantor said the United States believes China should become a member of the World Trade Organization, but its membership should be founded on "a rational commercial basis."

He said whether negotiations on China's reentry into the GATT can be completed this year hinges on China's attitude in this respect. He claimed time and again that China's concession was still not good enough, and that the United States will not stand by with folded arms on this issue.

Column Views U.S. Focus on Asian Market

*HK0812041294 Beijing RENMIN RIBAO in Chinese
22 Nov 94 p 7*

[("Economic Jottings" column dispatched from New York by Xu Shiquan (6079 0013 6898); "U.S. Entrepreneurs Set Their Sights on the Asian Market"]

[FBIS Translated Text] Both before and after the informal meeting of the leaders of the Asia-Pacific Economic Cooperation organization held in Indonesia, major newspapers and periodicals in the United States were reviewing and making predictions about economic relations between the United States and the Asian nations. One important trend they detected was that many major U.S. enterprises had shifted the focus of their operations and investment to the so-called "emerging market" of Asia, with the exception of Japan.

The NEW YORK TIMES quoted U.S. Ambassador to Japan Walter Mondale as saying that many American businessmen told him that, based on the consideration of opportunity cost, they were spending more time and energy on the other Asian markets. The reasons behind this change are many faceted: The trade war between the United States and Japan has continued without interruption for several years. Both sides have locked in a stalemate, and some people in the government and business circles have become weary of the status quo. Japan is considered a mature market, in which competition is acute, trade barriers are numerous, and opportunities are difficult to come by. Furthermore, the continuous appreciation of the yen against the U.S. dollar has made investment and operations in Japan increasingly costly. Of course, the most important reason is that the strong economic growth of East Asian countries has provided U.S. companies with a rare opportunity and is offering them attractive prospects. For example, these countries badly need to develop their communications, telecommunications, energy, and other infrastructures and will require more than \$1,000 billion in commodities and investment by the end of this century. This is naturally a major attraction to U.S. companies. According to the forecast of the U.S. trade representative organization, by the year 2010, the United States' exports to Japan will have increased by 70 percent to \$88 billion, while its exports to other Asian countries will have increased by 163 percent to \$248 billion, which are 300 percent higher than the figures for Japan. A few years ago, one important task of the U.S. Department of Commerce was to act as a go-between and door opener in helping American goods enter the Japanese market. Today, however, it is busying itself with providing U.S. companies with information and consultancy services concerning China's three-gorges project, India's electric power development program, and Indonesia's telecommunications construction.

In fact, the market-sensitive U.S. companies have been getting involved in this region for quite some time. Major investment banks and companies in the United States, including the Merrill Lynch group, the First Bank of Boston, and the Bank of America, have moved their Asian headquarters from Japan to Hong Kong to better position themselves for developing the Chinese market. The November issue of FORTUNE magazine rated Hong Kong as the world's No 1 commercial city. The main reason was that Hong Kong was a convenient jumping-off point for Western companies to enter the

mainland China market. According to statistics from Japan's Ministry of International Trade and Industry, the United States made 317 direct investments in Japan worth \$93 billion last year, approximately \$300 million less than the previous year. At the same time, the U.S. investors' interest in and expectations for the emerging markets increased by a wide margin. Many major U.S. companies have increased their investments in the East Asian region one after another. In the first half of this year, 110 foreign companies were listed on the U.S. stock exchange, of which 60 percent came from developing countries in Asia and Latin America. Most of these stocks have promising growth prospects and have seen brisk transaction levels. Many investment analysts have maintained: Chinese stocks will play an important role in the U.S. stock market. The stock of the Shanghai Petrochemical Company is on an equal footing with that of the U.S. AT&T and British Telecom on the New York Stock Exchange.

Naturally, the diversion of attention of many major U.S. companies to the emerging markets in Asia does not mean that they are looking down on the Japanese market. In the final analysis, Japan is the second largest market in the world. Moreover, major U.S. firm are very clear on one point; that is, in order to obtain Japan's latest technology and maintain U.S. superiority in some fields of state-of-the-art technology, they must make considerable investments in Japan's relevant fields. This has a bearing on the very life and death of major U.S. companies, and they will not take it lightly.

New Oil Exploration Contract Signed With Phillips

OW0712130294 Beijing XINHUA in English 1204
GMT 7 Dec 94

[FBIS Transcribed Text] Beijing, December 7 (XINHUA)—The Phillips Petroleum Company of the U.S. signed a contract today with the China National Offshore Oil Corporation (CNOOC) to explore for oil and gas in the Bohai Sea.

This is the fifth concession Phillips has been granted for offshore petroleum exploration in China and the 98th deal CNOOC has stricken with foreign oil companies since China opened its offshore areas for cooperative oil and gas development.

The area, code-named 11/05, is located in the central part of the Gulf of Bohai, 220 kilometers east of the coastal city of Tianjin.

According to terms of the contract, starting early next year, Phillips will carry out exploratory work including seismic survey, data analysis, and sinking wildcat wells within the 9,200 square kilometer block, where the depth is less than 50 meters.

Phillips will be solely responsible for the investment risks up to more than 40 million U.S. dollars during the seismic and multi-well exploration phase, a well-informed source said.

It is entitled to operate any discoveries while CNOOC has the right to participate up to 51 percent in any proposed development, he added.

He said that Phillips was awarded the block, where experts and foreign oil companies are optimistic about oil and gas prospects, because "it was willing to do more exploratory work than the others."

The contract, signed by CNOOC President Wang Yan and Phillips Executive Vice-President J. Whitmire, requires final Chinese Government approval from the Ministry of Foreign Trade and Economic Cooperation.

Phillips participated in exploration in the Xijiang area, in the Pearl River mouth basin, and in the South China Sea, which led to the discovery of two oil fields—Xijiang 24-3 and Xijiang 30-2.

The two field complex is now being jointly developed. Its first field began oil production in November this year, with peak yearly production expected to reach 1.5 million tons, and the second will commence production in 1995.

The company also holds interest in two East China Sea blocks, some 9,000 square kilometers in total area, in which seismic surveys will be conducted in early 1995.

Fisheries Cooperation With Canada To Be Explored

OW0612172794 Beijing XINHUA in English 1707
GMT 6 Dec 94

[FBIS Transcribed Text] Beijing, December 6 (XINHUA)—Headed by Secretary of State Fernand Robichaud, a high-powered business delegation from the Canadian fisheries industry arrived here Monday [5 December] and will explore co-operation opportunities with their Chinese counterparts during next two weeks.

The Chinese Ministry of Agriculture has set the stage for the contacts and business discussions between Chinese and Canadian fisheries businessmen: The delegation is invited to participate in the 1994 China Fish Processing Exposition—the first of its kind in the country—scheduled to be held here from December 10 through December 16, at which will be representatives of over 400 Chinese fisheries firms.

According to Fan Chen, one of the organizers of the delegation's visit and chairman of the Canadian-based J.F.C. engineering firm, the delegation consists of presidents or vice-presidents of 11 leading fisheries companies in Canada, including British Columbia Packers Limited, Connors Brothers Ltd and National Sea Products Ltd.

The delegation is also the first high-level Canadian industrial delegation to visit China in the wake of the official visit made by the Canadian Prime Minister Jean Chretien last month.

The Canadian delegation can offer capital funds, leading-edge technology and expertise in quality management, Chen noted.

"China holds great appeal for the Canadian seafood industry with its big potential market, rapid economic growth and increasing individual income," said Chen.

According to the Ministry of Agriculture, China's aquatic product consumption has risen from about five kg per capita in 1980 to the current 17.5 kg, only half a kg below the world's average.

Ministry officials said China expects Canadian help mainly in fishing and trawler building technology, and management of information, and aquatic products processing in particular.

China caught 18 million tons of fish in 1993, and expects to catch 20 million tons this year. However, due to backward processing technology, the processed and packed aquatic food only accounts for about 30 percent of the industry's output value. Moreover, over 30 percent of aquatic products rot before they reach the markets.

China plans to expand its processed aquatic food production capacity and reduce the wastage to one percent before this century ends.

Co-operation between the two countries' fisheries industries will contribute to these targets, according to ministry officials.

Southeast Asia & Pacific

Qian Zhengying Meets SRV's Phan Van Khai

OW0812092994 Beijing XINHUA Domestic Service in Chinese 1507 GMT 6 Dec 94

[By reporter Hu Suojin (5170 6956 6930)]

[FBIS Translated Text] Hanoi, 6 Dec (XINHUA)—Phan Van Khai, deputy prime minister of the Vietnamese Government, today met with visiting Qian Zhengying, vice chairman of the Chinese People's Political Consultative Conference [CPPCC] National Committee and consultant for the Chinese People's Association for Friendship With Foreign Countries.

At the meeting, Phan Van Khai said: After General Secretary Jiang Zemin visited Vietnam, Sino-Vietnamese relations have entered a new period [xin shi qi 2450 2514 2601] characterized by unity, friendship, cooperation, and development.

He said: China has made enormous achievements in its reform, whereas Vietnam has also succeeded in its renovation [ge xin 7245 2450]. At present, Vietnam has entered a new stage of industrialization and modernization.

Qian Zhengying said: Chinese and Vietnamese national conditions are similar. Strengthening exchanges of experiences and cooperation between the two countries will be very beneficial to their respective progress.

Li Guangtong [7812 0342 6639], chairman of the Vietnam Fatherland Front [VFF], also met with Qian Zhengying this afternoon. They specifically exchanged experiences of the respective roles of the CPPCC National Committee and the VFF in national political affairs of China and Vietnam. They also expressed their hope to further strengthen cooperation and exchanges between the two organizations.

NPC Delegation Ends SRV Visit

OW0812093194 Beijing XINHUA Domestic Service in Chinese 1545 GMT 6 Dec 94

[By reporter Zhang Jiaxiang (1728 0502 4382)]

[FBIS Translated Text] Hanoi, 6 Dec (XINHUA)—After successfully concluding its official friendly visit to the SRV, the Chinese National People's Congress [NPC] delegation, led by Wang Hanbin, vice chairman of its Standing Committee, left Ho Chi Minh City for home this afternoon.

The Chinese NPC delegation began its SRV visit on 1 December at the invitation of the SRV National Assembly Chairman Nong Duc Manh.

During the visit, Do Muoi, general secretary of the Communist Party of Vietnam; SRV President Le Duc Anh; and National Assembly Chairman Nong Duc Manh separately met Wang Hanbin and his party. The Chinese NPC delegation also held talks with the SRV parliamentary delegation led by Ruan Hewan [name as transliterated], vice chairman of the SRV National Assembly. Both sides indicated the need to further expand cooperation and exchanges between the Chinese NPC and the SRV National Assembly, to make joint efforts to push forward the Sino-Vietnamese good-neighborly relations, and to continue to develop the mutually beneficial and cooperative relations on the basis of the five principles of peaceful coexistence.

Hainan Governor Receives Visiting Australians

HK0812111594 Haikou HAINAN RIBAO in Chinese 22 Nov 94 p 1

[By reporter Wang Yafu (3769 0068 1381): "Governor Ruan Chongwu Meets Visiting Australian Lion King Company President"]

[FBIS Translated Text] Yesterday morning Governor Ruan Chongwu met with visiting Australian Lion King [shi wang 3740 3769] Company President Douglas Miles [dao ge la si mai er zi 6670 2706 2139 2448 6701 1422 5417] and his company.

The guests came to Hainan for a visit at the invitation of the Hainan Zhujiang Construction (Group) Company.

The two parties will hold talks on setting up a joint venture brewery with an annual yield of 100,000 tonnes in Qionghai City.

Ruan said, the project was proposed by Mr Hork [huo ke 7202 0344] when he led a delegation to Hainan in June. We will provide support and hope the project will start construction as soon as possible. He also told the guests about Hainan's investment environment and preferential policies.

Also present at the meeting were responsible members from relevant provincial departments, the Qionghai government, and the Hainan Zhuijiang Construction (Group) Company.

Near East & South Asia

XINHUA Quotes Christopher on Middle East Talks

OW0712132694 Beijing XINHUA in English 1246
GMT 7 Dec 94

[By Xie Dongfeng and Huai Chengbo: "Christopher Reports Progress in Syria-Israel Talks"]

[FBIS Transcribed Text] Jerusalem, December 7 (XINHUA)—U.S. Secretary of State Warren Christopher said today that there has been progress in talks between Israel and Syria.

Speaking to reporters after meeting with Israeli Prime Minister Yitzhak Rabin, Christopher declined however to elaborate on the progress in specifics.

"There is a severe limitation on how specific I can be because my role could not be successful if I dealt in specifics," he said.

Christopher said that what he can say is that there is a great seriousness from both parties, Israel and Syria.

"I believe the gaps are being narrowed as we go about our work, carrying messages back and forth and trying to play an effective role to facilitate the discussions," he said.

"Much harder work remains ahead," he said. "For me, to be more specific I think would undermine the central role the parties asked me to play," he added.

The U.S. secretary of state, who arrived Tuesday evening from Syria, also stressed that the "war of words" must be stopped between Israel and Syria.

Rabin spoke of a positive impression from Christopher's talks in Damascus Tuesday.

As Syria has called for a renewal of bilateral talks in Washington, Rabin stressed that only secret talks could pave the way for a final peace agreement.

This was the case in Israel's negotiations with Egypt, the PLO and to a certain extent with Jordan, he explained.

Christopher is on his sixth peace shuttle to the Middle East, trying to revive the peace talks between Israel and Syria, that have been stalled since February over the issue of Golan Heights captured by the Jewish state in 1967.

This afternoon he will travel to Gaza for talks with PLO Chairman Yasir 'Arafat.

Afterwards, he will return to Jerusalem to meet with President Ezer Weizman and later with Foreign Minister Shimon Peres.

Christopher is scheduled to conclude his trip Thursday morning.

Sub-Saharan Africa

Chadian President To Visit China

OW0812090494 Beijing XINHUA in English 0838
GMT 8 Dec 94

[FBIS Transcribed Text] Beijing, December 8 (XINHUA)—At the invitation of Chinese President Jiang Zemin, president of the Republic of Chad Colonel Idriss Deby will pay a state visit to China from December 16 to 21.

A Chinese Foreign Ministry spokesman made this announcement at a weekly press conference here this afternoon.

Chen Minzhang at Cote d'Ivoire National Day Reception

OW0712093294 Beijing XINHUA in English 0714
GMT 7 Dec 94

[FBIS Transcribed Text] Beijing, December 7 (XINHUA)—The national day of Cote d'Ivoire was marked at a reception hosted by Cote d'Ivoire Ambassador to China Anoh Koffi Patrice in the Great Wall Sheraton Hotel here today.

Chinese Minister of Public Health Chen Minzhang and leading officials of other government departments attended the reception.

Wu Xueqian Holds Talks With Senegal Visitors

OW0612091694 Beijing XINHUA in English 0907
GMT 6 Dec 94

[FBIS Transcribed Text] Beijing, December 6 (XINHUA)—Wu Xueqian, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), held working talks with a delegation from the Economic and Social Council of Senegal (ESCS) here this afternoon.

The delegation, led by ESCS President Famara Ibrahima Sagna, arrived here earlier today at the invitation of the CPPCC.

Chinese Youth Delegation Ends Visit to South Africa

*OW0212015794 Beijing XINHUA in English 1756
GMT 1 Dec 94*

[FBIS Transcribed Text] Johannesburg, December 1 (XINHUA)—A Chinese youth delegation today ended its first official visit to South Africa, which is aimed at enhancing mutual understanding, friendship and cooperation between the youth of the two countries.

The Chinese youth delegation, headed by vice-chairman of All China Youth Federation Qin Dahe, held talks with members of the Youth League of the African National Congress (ANC) and leaders of ANC's international department during its stay in South Africa.

During their talks, the two parts exchanged views on China's economic reform and "open door" policies, political situations as well as the reconstruction and development program in South Africa.

The Chinese delegation's visit is a responding one to the visit to China by a delegation of the ANC Youth League in 1992.

The Chinese youth delegation had visited Tanzania, Zambia, Zimbabwe and Mozambique before it arrived in South Africa on November 27.

West Europe**French Auto Company in Hubei Starts Production**

*OW0612091794 Beijing XINHUA in English 0810
GMT 6 Dec 94*

[FBIS Transcribed Text] Wuhan, December 6 (XINHUA)—Sanjiang Renault Automobile Company, jointly set up by China's Sanjiang Group and the Renault

Automobile Company of France, started production yesterday in central China's province of Hubei.

The joint venture will produce the "Traffic" brand luxury bus, designed by France's Renault Company, one of the eight largest automobile producers in the world, specially for the joint venture. It is equipped with plush seats, high-quality acoustics, and is air-conditioned.

It was revealed that about 20 technical and managerial experts from Renault are now working in the joint venture to oversee and ensure production standards.

Rong Yiren Meets Spanish Editors, Journalists

*OW0612073594 Beijing XINHUA in English 0710
GMT 6 Dec 94*

[FBIS Transcribed Text] Beijing, December 6 (XINHUA)—Chinese Vice-President Rong Yiren met here today with a delegation of senior editors and journalists of Spain.

The delegation, whose members are in China for the first time, are here at the invitation of China's official newspaper, the PEOPLE'S DAILY.

Quoting an old Chinese saying that "it is better to see once than hear a hundred times," Rong expressed his hope that the visitors can gain more knowledge about China by witnessing what is happening here with their own eyes.

At the guests' request, Rong briefed them on Sino-Spanish economic and trade relations, on China's policy on foreign investment, its process of establishing a socialist market economy, its efforts for resumption of its GATT status, and the policy concerning Macao.

Emilio Contreras, member of the delegation and a freelancer for the ABC newspaper of Spain, said that the visit is a short one but a good beginning. He expressed his hope that they have more chances to visit this country in the future.

Political & Social

Li Guixian Attends Meeting on Intellectual Resources

OW0812043794 Beijing XINHUA Domestic Service in Chinese 1327 GMT 7 Dec 94

[By reporter Yu Haisheng (0060 3189 3932)]

[FBIS Translated Text] Beijing, 7 Dec (XINHUA)—At the national meeting on importation of foreign intellectual resources, which closed here today, State Councillor Li Guixian stressed that in the next few years the primary reason for importing foreign intellectual resources is to serve the modernization of agriculture.

Li Guixian pointed out: In arranging projects and investments and in opening up new avenues of development in the days to come, priority should be given to agriculture. The work of importing foreign intellectual resources for agriculture should be based on the existing foundation. On this foundation, we should absorb and draw on foreign experience in agricultural modernization and management in closer conjunction with the construction of modern state agriculture demonstration bases, with the construction of bases for producing commodity grain, with the comprehensive development of agriculture, and with the construction of major agricultural projects. Departments in charge of importing intellectual resources should work in coordination with agricultural, science and technology, and other relevant departments. They should combine the importation of intellectual resources with that of technology in a better way, and also combine importation of projects with popularization and application of research results.

Li Guixian also expounded on how to do a good job in importing intellectual resources by focusing on the development and utilization of intellectual resources from among overseas people of Chinese origin, how to upgrade state-owned large and medium enterprises, how to strengthen construction of key projects and infrastructural facilities, and how to accelerate the training of personnel urgently needed for modernization construction and for the development of a socialist market economy.

The five-day meeting summed up China's experiences in importing intellectual resources over the past few years, set forth the principles and tasks for this work in the days to come, and commended the collectives and individuals who had made outstanding contributions in importing intellectual resources.

Song Ping, Zhang Jingfu, Zhao Dongwan, Song Defu, Zhou Guangchao, and Ma Junru attended today's closing ceremony.

Minister on Building 'Cultural Market' Management

OW0712131494 Beijing XINHUA Domestic Service in Chinese 0631 GMT 7 Dec 94

[FBIS Translated Text] Beijing, 7 Dec (XINHUA)—During a recent interview with XINHUA, Culture Minister Liu Zhongde discussed the ways and means for conscientiously implementing the "Circular on Strengthening and Improving Management of Books, Newspapers, Magazines, Film, Television Products, Audio Products, and Video Products Markets," jointly issued by the CPC Central Committee and State Council General Offices, in promoting the cultural markets' healthy growth.

Liu Zhongde pointed out: The party Central Committee and the State Council have always paid keen attention to the management of cultural markets. At the National Propaganda and Ideological Work Conference, which was convened at the beginning of this year, Comrade Jiang Zemin explicitly called for "arming people with scientific theory, guiding people with correct public opinion, portraying people in noble spirits, and inspiring people with outstanding works," thereby pointing out the direction and goal for cultural work as a whole. Recently, on the basis of thorough investigation and earnest study, the CPC Central Committee and State Council General Offices jointly issued the "circular," urging party committees and people's governments at all levels to strengthen the management of cultural markets in the spirit of holding themselves highly responsible to the party, the state, the people, and to the future generations. The "circular" further clarifies the guiding ideology for managing cultural markets, that is, "persisting in taking Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line as the guide and earnestly implementing the principles of 'serving the people and socialism' and of 'letting a hundred flowers blossom and a hundred schools of thought contend' in publicizing the main theme through diversified forms and in promoting the flourishing while improving the management of cultural markets."

Liu Zhongde emphasized: In managing cultural markets next year and for some time to come in the future, we should define tasks and work methods in accordance with the guiding ideology, principles, and requirements laid out in the "circular." We should pay particular attention to guidance, to overall balance between supply and demand, to structure, and to efficiency. We should guide cultural undertakings to develop qualitatively and to improve efficiency rather than expanding themselves quantitatively and in their scale. We should perfect rules and regulations for supervising cultural markets, raise the level of law enforcement and maintain the normal order in cultural markets so as to create a favorable market environment for the healthy development of cultural undertakings.

Discussing next year's work, he said: We shall mainly continue to strengthen macroeconomic regulation and control over performance markets by nurturing the markets, guiding consumption, and introducing more refined artistic works for popular entertainment. We shall continue to guide and recommend patriotic audio and video products to recreation venues; as well as to set up funds for outstanding cultural works. We shall draw up rules for encouraging society's support and assistance for cultural undertakings, in a bid to channel such support and assistance to healthy, forward-looking cultural activities. We shall effectively organize activities for evaluating and rewarding outstanding cultural works and domestically made audio and video products so as to encourage superior works, to enable talented people to stand out, and to bring to markets more superb cultural works that propagate national culture and reflect the spirit of our times. Meanwhile, we shall study and explore features and laws for developing socialist cultural markets by drawing reference from useful foreign managerial experiences to promote the reform of market management.

Liu Zhongde said: Through efforts over the past few years, we have achieved initial results in adopting rudimentary legislation on cultural markets, thus ending lawless situations in most cultural markets. In the future, on the basis of the achievement, we shall improve rules and regulations, set up a contingent of cultural market supervision and inspection personnel, promote coordination and information networks in cultural market management, and strengthen supervision and inspection of law enforcement. Law enforcement in cultural markets next year should be focused on the categories and areas where problems require tighter supervision and inspection.

CPC Secretariat Member on Rural Organizations
HK0812062494 Beijing NONGMIN RIBAO in Chinese
30 Nov 94 pp 1, 4

[Report: "Wen Jiabao Delivers Speech on Implementing CPC Central Committee's 'Circular on Strengthening Building of Grassroots Level Organizations in Rural Areas'"]

[FBIS Translated Text] The CPC Central Committee recently issued the "Circular on Strengthening the Building of Rural Grassroots Level Organizations." Comrade Wen Jiabao, alternate member of the Political Bureau of the CPC Central Committee and member of the CPC Secretariat, delivered a speech on studying and implementing the spirit of the CPC Central Committee's circular and the National Work Conference held by the CPC Central Committee on Building the Rural Grassroots Level Organizations.

Taking Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the spirit of the Fourth Plenary Session of the 14th CPC Central Committee as the guide, Wen Jiabao said that the CPC

Central Committee's "Circular on Strengthening the Building of Rural Grassroots Level Organizations" and the National Rural Grassroots Level Organizations Building Work Conference held not long ago by the CPC Central Committee comprehensively analyzed the circumstances of the rural grassroots level organizations and the situation they are facing, clearly set forth the objective and tasks, guidelines, work principles, and principal measures for rural grassroots level organizations, and worked out an overall plan for strengthening the rural grassroots level organizations. By earnestly implementing the CPC Central Committee's circular and the spirit of the conference, new progress will definitely be made in the building of rural grassroots level organizations, and the work will be upgraded to a new level. This will have far-reaching significance for strengthening party building, pushing forward the new grand project proposed by the Fourth Plenary Session of the 14th CPC Central Committee, and promote rural reform, development, and stability in the rural areas and the country as a whole.

Above all, Wen Jiabao called on the broad ranks of party members and cadres to organize conscientious study the document, which is the prerequisite for implementing the spirit of the conference.

Wen said that the CPC Central Committee's "Circular on Strengthening the Building of Rural Grassroots Level Organizations," Comrade Jiang Zemin's speech, and Comrade Hu Jintao's report embodied Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, the party's basic line, and the overall situation of the party's work, summed up the experience of building rural grassroots level organizations since reform and opening up, and answered the new questions to be resolved in strengthening rural grassroots level organizations in the new period. It is an important component of the CPC Central Committee's overall plan on party building and is the guiding document for strengthening the building of rural grassroots level organizations in the new period. To implement the spirit of the "Circular," it is necessary to first organize the broad ranks of party members and cadres to conscientiously study the document, understand its essence, and apply it to unify the thinking of the broad ranks of party members and cadres—leading cadres in particular—and guide the work of building the rural grassroots level organizations. It is necessary to integrate the study and implementation of the "Circular" and the spirit of the National Work Conference on Building Rural Grassroots Level Organizations with that of the "Decision" of the Fourth Plenary Session of the CPC Central Committee. It is the urgent desire and demand of the broad ranks of rural party members, cadres, and peasants to strengthen the building of rural grassroots level organizations and promote rural reform, development, and stability. As the work has a direct bearing on their vital interests and they must be relied on to do the work well, we must let them directly understand the spirit of the CPC Central Committee. In light of the rural realities

and the characteristics of the peasants, we should adopt simple language and use forms accepted by the peasants to do a good job of the publicity and education work.

Wen Jiabao stated that unified correct understanding is the ideological guarantee for implementing the spirit of the "Circular." Therefore, it is necessary to have a clear understanding of the following points.

First, the importance of strengthening rural grassroots level organizations in the new period. We must rely on the rural grassroots level organizations, including the party organizations, organs of power, economic organizations, and mass groups to implement all the party's principles and policies in the rural areas and fulfill all the work and tasks. Otherwise, the work will fall through. The situation of the rural grassroots level organizations will have a direct bearing on the strengthening of party leadership in the rural areas, the consolidation of the rural organs of power, and rural reform, development, and stability. We should fully understand the great significance of strengthening the building of rural grassroots level organizations from the high plane of fulfilling the party's historic rural task in the new period, building the new grand project, and consolidating the party's ruling position.

Second, the objective and tasks for strengthening the rural grassroots level organizations in the new period. In light of the spirit of the Fourth Plenary Session of the 14th CPC Central Committee, the "Circular" summed up the experience of all localities, proposed the target of "five good's," and set forth the specific requirements regarding leading bodies, the ranks of party members and cadres, economic development, the operational system, and the management system, which form an integrated objective for building rural grassroots level organizations in the new period. This represents the scientific summary as well as an innovation of the practice and experience in building rural grassroots level organizations. The five aspects form an organic whole and are inseparable. All the rural grassroots level organizations should strive to achieve the goal of the "five good's."

Third, the guidelines for strengthening the building of rural grassroots level organizations. In light of the guiding principle for the building of the party's grassroots organizations proposed in the "Decision" of the Fourth Plenary Session of the 14th CPC Central Committee, the requirements for the building of rural grassroots level organizations, and the current rural realities, the "Circular" specified the guidelines for the building of rural grassroots level organizations into four points, which referred mainly to strengthening the building of rural grassroots level organizations, ensuring the implementation of the party's basic line and rural policies, having a firm grip of the building of party branches, implementing the principle of strictly administering the party, and applying the spirit of reform to study the new circumstances and resolve new problems. In his report,

Comrade Hu Jintao made profound expositions in this regard. These guidelines must be seriously implemented as they represent the practical application of the party's basic theory and line in the building of rural grassroots level organizations.

Fourth, the focus of the building of rural grassroots level organizations. The building of rural grass-roots level organizations should be focused on the building of village level organizations and stepping up the building of party branches. It is necessary to improve the building of rural party branches so that they can genuinely become a firm core of leadership and a fighting bastion and can ensure party leadership over the villagers' autonomous organizations, economic organizations, and mass groups and can guarantee the fulfillment of various tasks. The urgent task at the moment is to reorganize the backward party branches and strive to build well the backward villages by stages and in groups within three years.

Fifth, the basic requirements for the building of rural grassroots level organizations. The "Circular" has set forth the requirement of comprehensively strengthening the building of rural grass-roots level organizations and has defined the responsibility. The building of rural grassroots level organizations is a systems engineering project. While properly building the party branches, it is necessary to focus attention on doing the same for the other village level organizations. While focusing attention on the village level organizations, it is necessary to do a good job of building the township level organizations. While focusing attention on organizational building, it is necessary to step up ideological building and improve the work style. While giving prominence to economic construction—which is the central task—it is necessary to adhere to regular ideological work. Only in this way can we comprehensively upgrade the overall quality and working level of the rural grassroots level organizations.

Wen Jiabao stressed that the key to studying the spirit of the "Circular" lies in making strenuous efforts to ensure its implementation.

First, it is necessary to focus attention on the central task. The consolidation of the rural grassroots level organizations of power, stability of rural society, and improvement in the material and cultural lives of the peasants are ultimately determined by economic development and the achievement of agricultural modernization. Developing the rural economy is the fundamental task of the party and is the focus of all work in the rural areas. The building of rural grassroots level organizations should be focused on this center and should serve it. Rural reform and development is in a crucial period and is facing two major strategic tasks in developing agricultural production and ensuring effective supply, as well as the goals of increasing peasants' incomes and attaining the target of becoming comparatively well-off. In its work in the rural areas, the party should always

stick to the principle of doing two types of work and attaching equal importance to both. While concentrating forces on developing the rural economy, it is necessary to pay great attention to and earnestly grasp the building of socialist spiritual civilization, democracy, and the legal system in the rural areas. This is the internal demand and important task of building new socialist rural areas. The results of the building of rural grassroots level organizations should be manifested in promoting rural economic development as well as in boosting rural stability and ensuring comprehensive progress in rural society.

Second, it is necessary to do solid work. Proceeding from practice is very important for implementing the tasks set forth by the CPC Central Committee's "Circular" and the National Work Conference on Building Rural Grassroots Level Organizations. To proceed from practice, we should be good at integrating the principles, policies, and measures of the CPC Central Committee with the rural reality and creatively carry out work; should take into account the will of the peasants, ensure their interests, and respect their creative spirit and practical experience; should go deep into the realities of life to conduct investigation and study and learn about the situation, directly listen to the views of the basic level cadres and the peasants, and step up efforts to resolve the problems about which the masses are concerned most; and should speak the truth, do solid work, and seek practical results. In a word, it is necessary to seek truth from facts, do meticulous work, and never engage in formalism or do work perfunctorily or practice uniformity.

Third, it is necessary to make unremitting efforts. The building of rural grassroots level organizations is a protracted work of the party in the rural areas, which should be enhanced in the course of reform, opening up, and the modernization program. The tasks of building the rural grassroots organizations are arduous and cannot be accomplished overnight. As new circumstances and problems will continuously crop up along with deepened reform, economic development, and constant changes in the rural situation, the building of grassroots organizations cannot be done once and for all. It is necessary to do regular work well, guide and help the rural grassroots organizations, regularly conduct education among party members and cadres, and continuously improve their qualities. We must regularly carry out inspection and supervision, maintain the party's close ties with cadres and the masses, regularly discover and train activists, promptly draw outstanding elements into the party, and invigorate the party organizations. It is necessary to frequently carry out criticism and self-criticism, develop healthy tendencies, resist unhealthy tendencies, enforce discipline, and increase the combat effectiveness of party organizations. The fundamental point in making unremitting efforts is to establish a set of feasible work systems for the building of grassroots level organizations and put them into practice.

Fourth, it is necessary to strengthen leadership. The key to studying and implementing the spirit of the "Circular" and strengthening the building of rural grassroots level organizations lies in enhancing party leadership. The party committees at the provincial, prefectural, county, and township levels should earnestly shoulder responsibility and place the building of rural grassroots level organizations on their agenda. It is necessary to frequently study the new circumstances and problems which crop up in the building of rural grassroots level organizations and promptly adopt measures to resolve them. It is necessary to improve the style of leadership and work, integrate general calls with specific guidance, and continue to send cadres to the basic levels to help the backward villages. Leading comrades of the party committees should personally handle one or two villages to gain practical experience. It is necessary to mobilize and organize the forces of various departments and fields to exercise management and form a combined force under the leadership of the party committee involved in the building of rural grassroots level organizations. The party committees at all levels should seriously study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, particularly the theory of party building, should enhance the awareness that the party must handle party affairs, and improve leadership in the building of rural grassroots level organizations.

Sources Detail CPC Rejuvenation Plans

HK0812071794 Hong Kong HONGKONG STANDARD in English 8 Dec 94 pp 1, 2

[By China Editor Cary Huang]

[FBIS Transcribed Text] China's ruling Communist Party is working on a rescue plan to prevent itself from disintegration in the post-Deng era by formulating internal laws and regulations. The unprecedented projects in the party's 73-year history to structure a legal framework to govern the world's largest political party will see tightening of ideological control and indoctrination on party members and officials.

The move to ensure 60 million members stay loyal to the party leadership echoes a recent call by paramount leader Deng Xiaoping, who said the major threat to the communist rule in China came chiefly from the Communist Party itself. It also aims at building up a so-called democratic centralisation system in an effort to smoothly solve disputes among factions within party organs at various levels, Chinese sources said yesterday. The projects to work out at least dozens of internal party rules and regulations were decided by a recent party plenum.

The regulations will see resumption of many Maoist practices that required party officials and members to report to the party organs their personal views on major political issues and party policies. Party officials and members will be required to report their major personal and family events and properties to superiors.

One of the most important projects is to form an internal supervision mechanism within party leadership at various levels. The idea is to make party officials' personal views on major political issues and policies known to their colleagues and place their behaviour under supervision within the establishments. The procedural regulations will stipulate a collective leadership in party committees and branches, in which minority obeys majority through voting. Party committee members are required to sincerely implement policies agreed upon after voting even though they hold different opinions.

The efforts are also intended to strengthen the party leadership's grip on party cells which, particularly in rural areas, are at the brink of demise following 15 years of market reform. The party rules will require all party members to take part in major political activities and resume regular ideological sessions at grassroots organisations.

Chinese sources said the fourth plenum of 14th Communist Party Central Committee, which ended in late September, also decided to set up a powerful task force responsible for the drafting work. Politburo's standing committee member Hu Jintao, who oversees the party's personnel and organisation matters, was assigned to lead the task force, while two politburo members Ding Guangen and Wei Jianxing were posted as Mr Hu's deputies. The task force includes senior officials from the party's organisation and propaganda departments. Legal experts outside party establishments are also invited as advisers.

Party regulations now under drafting include: Regulations on Working Procedure for Party Committees at Central Department and Regional Levels; Regulations on Working Procedure for Party Committees in State Enterprises and Social Institutions as well as Regulations on Rights and Responsibilities of Party Committees at various levels.

CPPCC Delegates Urge Officials To Consult Them

HK0812141894 Beijing CHINA DAILY in English 8 Dec 94 p 3

[By Sun Shangwu: "Officials Urged to Solicit Advice on Vital Policies"]

[FBIS Transcribed Text] Government and Party officials are encouraged to confer with members of the Chinese People's Political Consultative Conference (CPPCC) before making important decisions, delegates to a national CPPCC meeting concluded yesterday.

Regarded as an "irreplaceable force" in the country's political and economic affairs, CPPCC is a conglomerate of all nationwide political groups to address major national issues.

The country's 3,000 local CPPCC organizations now boast 470,000 members.

The on-going four-day conference on exchanging working experience of local CPPCC organizations reached a consensus that before important decisions are made, officials at all levels are urged to solicit opinions from CPPCC members.

In Beijing, the Communist Party and government departments have regularly sought advice from local CPPCC members, said Beijing deputy Party secretary Li Zhijian, adding a connection system with the city's CPPCC has been established.

For example, when the municipal government decided to increase the retail price of grain earlier this year, it informed local CPPCC members five days prior to making the official announcement.

"Helpful opinions were raised by these political advisers, and this reform measure has been carried out smoothly," Li said.

Since 1988, the Beijing municipal government has asked 85 specially-appointed advisers to monitor the work of government officials and give advice.

And this is also the case in Shanghai, the largest city in the country.

Earlier this year, when the Shanghai municipal government decided to launch housing reform measures, leaders went to the municipal committee of CPPCC five times to solicit opinions.

In the past two years, the Shanghai committee has received 1,843 proposals from its members. And more than a dozen of proposals were chosen by a special committee as crucial ones. These proposals mainly cover the nuclear industry, strengthening macro-control of the financial market, controlling the growing population and clamping down on inferior goods.

A total of 30 provincial CPPCC bodies and 46 city-level groups will deliver their speeches and materials at the meeting, which concludes on Friday.

Beijing Executes 4 for Robbery, Rape on Trains

HK0712140294 Beijing ZHONGGUO XINWEN SHE in English 1200 GMT 7 Dec 94

[FBIS Transcribed Text] Beijing, December 7 (CNS)—Sources from the Supreme People's Court say that four bandits were executed here today for their crimes of brutally robbing Chinese citizens of their belongings and raping Chinese passengers in the international trains of No. 3 and No. 4 running between Beijing and Moscow as well as in downtown of Moscow, capital of Russia.

The Beijing Railway Transportation Intermediate Court and the Beijing Intermediate People's Court sentenced at their first and second trials the ring-leader of a eight member gang to death for robbery and deprived him of political rights for life; sentenced three chief criminals, named Ku Wanhe, Gu Zhijiang and Liu Jinpeng, out of

the five robbers and rapists to death and deprived them of political rights for life. Three accomplices in the two criminal cases, Xing Zhongshi, Qin Zhitong, and Wu Baoshun were sentenced to life imprisonment and another six, Zhang Wenji, Li Qiuhua, Jiang Minghua, Yang Zhenchun, Zhang Baohui and Guo Baosen to different terms of imprisonment respectively.

Between January and July, 1993, Niu Dun, a jobless Beijinger, rounded up a bunch of accomplices to savagely rob, with guns and knives, Chinese passengers of their belongings in international trains between Beijing and Moscow and Chinese citizens in Moscow. In only more than half a year, they committed 14 counts of crimes including ten in the train. Property they robbed include US dollars, ruble, renminbi, garments, wrist watches, radio sets and other articles. In March last year, Niu Dun chopped, with an axe, a Fujianese in an inn in Moscow, robbing the victim of US\$ 1,860. On May 9, last year, Niu Dun, Xing Zhongshi and Qin Zhitong carrying gas-guns robbed passengers in the Beijing-Moscow international train on several occasions.

Ku Wanhe, Wu Baoshun, Gu Zhiqiang and Liu Jinpeng, all jobless Beijingers, committed nine robberies by ways of trussing up victims with their face covered in downtown of Moscow as well as in international trains running between Beijing and Moscow. The more serious crime they committed was gang-raping a female passenger in a train bound for Moscow on March 11 and 12, 1993.

An official of the Beijing Higher People's Court said that the above two cases demonstrated that crimes in international trains were very serious. The criminals' brutal conducts had caused an extremely bad influence at home and abroad.

Intellectuals, Dissidents Condemn Wang Dan Persecution

HK0812080794 Hong Kong AFP in English 0742 GMT 8 Dec 94

[FBIS Transcribed Text] Beijing, Dec 8 (AFP)—Some 22 prominent Chinese intellectuals and dissidents appealed to the authorities Thursday to halt police harassment of former student dissident leader Wang Dan.

In an open letter signed by leading intellectuals such as Ding Zilin and Xu Liangying and dissidents Liu Nian-chun, Ma Shaofang and Ma Shaohua, the group deplored the continuing treatment of Wang and called on the international community to take up his case.

Wang, 25, who has been under 24-hour police surveillance since the fifth anniversary on June 4 of the Tiananmen Square massacre, filed a suit against the Beijing Public Security Bureau (PSB) on Monday, claiming violation of his citizen's rights.

On Wednesday, Wang said plainclothes police had followed him into the Beijing Public Library and threatened to beat him to death.

"These actions have seriously threatened Wang Dan's individual safety and constitute an extremely brutal violation of human rights," the open letter said.

The letter expressed "shock and outrage" over the police methods and called on the authorities to intervene.

"We also hope that everyone interested in human rights here and abroad will pay attention to this affair," it added.

Arrested during the crackdown that followed the brutal suppression of the 1989 democracy movement, Wang was sentenced to four years' imprisonment, but was released in early 1993 as part of a charm offensive to bolster Beijing's unsuccessful bid to host the 2000 Olympic Games.

Beijing Club Caters to Party, Government Leaders

HK0812072094 Hong Kong HONGKONG STANDARD in English 8 Dec 94 p 11

[By Amy Liu]

[FBIS Transcribed Text] As the Preliminary Working Committee goes into plenary session today, members may be taking time off to look at Beijing's "mystery" landmark which is about to open for business. But the Chang An Club will not be opening its doors to the public, although most PWC members have probably already been enrolled.

Set up by Hong Kong delegate to the Chinese People's Political Consultative Conference (CPCCC), Chan Lai-wah, this is the place to be if you want to rub shoulders with the rich, the famous and the powerful of Beijing. It is already being whispered that anyone from Hong Kong wanting to join will require a personal recommendation from the likes of Henry Fok and Li Ka-shing—tycoons with direct access to the most powerful, and with exceptional influence over the PWC, of which they are members. But all applications to join will be processed by a committee. Big bucks may be an important qualification. Chan, who is chairman of the Hong Kong-based Fu Wah International Enterprises Group, is said to have invested US\$45 million (HK\$351 million) on the club. Patriotism will be another important criterion. According to one source: "Not only must applicants be of good credibility and integrity, they must be patriotic to the nation."

The club takes up the top three floors of a 13-storey building on Beijing's "golden mile" of Chang An Avenue next to Tiananmen Square. The remaining floors will be let out as offices and shops.

Beijing people, clearly aware that it will be a watering-hole for the most powerful in the land, cast curious eyes at it when they pass by. There will be special out-of-sight entrances for top leaders for security reasons. There will also be separate entrances for club members and the general public. "The club provides a perfect place for

entertainment with good security for the distinguished guests," Chiu Yang, director and general manager of the club, explained. "Once inside, Chinese leaders and businessmen can mingle freely. There will be no differences (between members) in the club, where they can sing, swim, or play tennis together.

He said the club would be inaugurated soon with a membership of 1,500. There will be three types of membership—individual, family and corporate. Entrance fees range from US\$20,000 to US\$28,000. Mr Chiu explained: "Our club does not aim to be a profitable business, but to provide a private and congenial atmosphere to be enjoyed by the political, business, financial and community leaders in the capital".

The club, which covers 24,000 square metres, provides sports and recreation facilities, including two tennis courts, a squash court, proshop, health club, swimming pool, relaxation and massage rooms, gymnasium and fitness evaluation room, bowling alley, golf simulators and a snooker room. There are Chinese and Western restaurants, a bar, karaoke room, card room, a dance floor and a barber shop.

Some Chinese leaders were recently invited for a tennis competition in the club. Li Ruihuan, chairman of the CPPCC, defeated such top players as Vice-Premier Li Lanqing; Director of the State Commission for Restructuring the Economic System, Li Tieying; Secretary-General of the State Council office, Luo Gan; Beijing party chief Chen Xitong; head of Beijing's legislature, Zhang Jianmin, and Vice-Mayor Zhang Baifa.

Membership of the Chang An Club is expected to enhance an individual's status and wealth through the development of good connections with high officials and wealthy businessmen. Membership will also bestow on the individual a status different from ordinary people. The club's distinguished guests should emerge as a new noble class in socialist China soon.

RENMIN RIBAO Urges Attention to Public Opinion

HK0812081494 Beijing RENMIN RIBAO in Chinese
11 Nov 94 p 5

[Article by Li Laizhu (2621 0171 2691): "Pay Attention to the Interests and Aspirations of the Masses at All Times"]

[FBIS Translated Text] Comrade Deng Xiaoping has always set great store by the party-mass relationship. He keeps the interests and aspirations of the masses in mind at all times and, he regards working for the interests of the masses as the worthiest course of action in all matters. From the very beginning of his revolutionary career, whether he was commanding troops in battles to help seize state power or orchestrating reform, opening up, and socialist modernization, he has always been, in his words, "a son of the Chinese people" and has devoted all his energies to the great cause of serving the

Chinese people wholeheartedly with a sincere and pure heart and fervent enthusiasm. Comrade Jiang Zemin once pointed out: Comrade Deng Xiaoping "respects the masses, loves the people, always pays attention to the interests and aspirations of the general public at all times, and regards 'whether or not it is supported by the people,' 'whether or not it is approved by the people,' 'whether or not the people are happy about it,' and 'whether or not the people will consent to it' as the starting point as well as the desired end-result in the formulation of principles and policies." If one conscientiously studies Volumes 1, 2, and 3 of the *Selected Works of Deng Xiaoping*, one easily discovers that these works are filled with Comrade Deng Xiaoping's brilliant thinking of working for the masses in all that we do, relying on the masses in all of our activities, and paying attention to the interests and aspirations of the masses at all times. This thinking is an important aspect of the theory of building socialism with Chinese characteristics.

1. It is necessary to pay attention to the interests and aspirations of the masses at all times, because the broad masses are the foundation of the great mansion of the People's Republic of China as well as a decisive force in building socialism with Chinese characteristics. The CPC is a faithful representative of the interests of all nationalities in China. Pursuing the interests of the masses is the party's sole purpose. Apart from that, it has no special private interests to attend to. It is because of this fundamental aim of serving the people wholeheartedly that our party has won the support of the masses, resulting in "finally, the founding of the People's Republic of China after most arduous and difficult struggle by the people of China." The great mansion of the People's Republic has been built by the broad masses, and its strong foundation is also deeply rooted in the broad masses. In the first article of the *Selected Works of Deng Xiaoping*, Volume 3, Comrade Deng Xiaoping made this clear point: "Ours is already a big party, with a membership of 39 million, which holds state power in the country. Nevertheless, communist party members are always a minority among the people of the entire nation. None of the major tasks assigned by our party can be fulfilled without the arduous struggle of the broad masses." "He who wins over the public prospers; he who loses popular support perishes." "The public is like water. Just as it can carry a boat, it can also capsize it." A weak foundation puts a mansion on the point of collapse. The ongoing process of building socialism with Chinese characteristics in our country is an unprecedented pioneering cause. The people are the mainstay and decisive force of this great cause. Especially at present, economic structural reform in our country has entered the challenging stage aimed at overall progress and selected breakthroughs. The tasks are arduous, and we will inevitably run into some difficulties and obstacles. In order to overcome the difficulties and build a rich and powerful, democratic, and civilized modern socialist country, we have no

choice but mobilizing and relying on the masses. Therefore, paying attention to the interests and aspirations of the masses at all times is urgently required by the effort to mobilize and rally the public so that they can plunge into the cause of building socialism with Chinese characteristics with one heart.

2. The most fundamental aspect of paying attention to the interests and aspirations of the masses is to regard conformity with the fundamental interests of the broad masses as the starting point and the desired end-result in the formulation and implementation of all policies. The party's policies are manifestations of the party line as well as a flag openly flown by the party. The public get to know and understand the party and, consequently, determine their attitude toward the party by examining the extent to which the party's policies represent and reflect the fundamental interests and aspirations of the masses. The party's policies cover the entire country and play a decisive role in the social, political, and economic life of the country. A correct policy brings benefits to the masses. As a result, the masses will trust the party, listen to the party, and follow the party. On the other hand, a mistake or deviation in policy may undermine the interests of the masses to some extent, cause discontent among the masses, and may even lead to a chain reaction. In his great practice of orchestrating reform, opening up, and socialist modernization, Comrade Deng Xiaoping has always regarded whether the masses can obtain maximum interests and practical benefits as the criterion for formulating and appraising the correctness of the party's policies. Since the Third Plenary Session of the 11th CPC Central Committee, on the one hand, he has been dedicated to bringing order out of chaos and discarding erroneous or outmoded policies; on the other, he has devoted much of his energy toward formulating new policies which are in conformity with the will and interests of the people, by maintaining an innovative spirit and pooling the wisdom of the masses.

He started by introducing the contract responsibility system with remuneration linked to output to rural areas, after which he formulated a policy for rural reform, a policy for educational reform, a policy for the reform of the science and technology system, a policy for economic structural reform, a policy on special economic zones, and a "support-the-poor" policy giving priority to some poor regions. In particular, he formulated a basic line for our party in the initial stage of socialism which reflects the law governing social development in our country. The implementation of those policies has brought about earthshaking historic changes to our country and has brought obvious benefits to the masses. The practice of reform and opening up in our country over the past decade has shown that Comrade Deng Xiaoping has based the formulation and implementation of the party's policies upon the following three main points. The first point is consideration for the interests of the overwhelming majority of the people. Today, a variety of economic sectors coexist in our

country, with public ownership as the main body. Different interest groups have formed in society in tandem with the development of this multipolar economic structure. What the party's policies reflect and uphold are always, and can only be, the fundamental interests of the overwhelming majority of the masses. The second point is consideration for the tolerance of the overwhelming majority of the people. If the masses cannot accept it or cannot tolerate it psychologically or financially, even a good policy should not be put forward by coercion, so that good policies will not be distorted in practice. The third point is consideration for the long-term interests of the overwhelming majority of the people. For example, the economic structural reform aimed at the establishment of a socialist market economic system may cause some losses to the immediate and temporary interests of some people, but it will create a basic mechanism for generating greater interests that the overwhelming majority of the masses can enjoy. That is why it is feasible and must be carried out unwaveringly. Because Comrade Deng Xiaoping always regards the highest interests of the broadest masses as the starting point and end-result in the formulation and implementation of the party's policies, he has naturally won the support of the entire nation.

3. In order to pay attention to the interests and aspirations of the masses at all times, it is imperative to understand and manage popular sentiment in a timely manner and try all possible means to ensure that the masses are happy and satisfied. In working for the interests of the masses in whatever we do and in serving the people wholeheartedly, we must pay attention to changes in popular sentiment at all times and keep in mind the emotional fluctuations of the masses. Comrade Mao Zedong once pointed out: leading cadres should at all times pay attention to the productive activities of the masses, mass interests, and mass sentiments. "When the popular feeling is positive, everything is positive." In monitoring popular sentiment, we should first be good at grasping the fluctuations in public opinion and regard popular sentiment as the "first signal" for assessing the party's line, principles, policies, and performance in various areas of work. If a policy wins the support of the overwhelming majority of the masses after it is implemented, it means it is a correct policy. If only a minority are happy and the majority are unhappy about it, then it requires adjustment so that it can be more scientific and viable. Second, our skills of explanation and persuasion must be good so that we can iron out any problems in mass sentiment. The popular feeling can be either negative or positive. Any negative feelings should be treated case by case to resolve hang-ups and misunderstandings. Today, special attention should be paid to tackling the "points of disagreement" between the cadres and masses, the "fuzzy line" between right and wrong, the "crossing points" between new and old concepts, and the "points of contradiction" among the state, the collective, and the individual. We must make a good job of persuasion and explanation with clear objectives and try to iron

out hang-ups in popular sentiment. Third, we must be good at educating and guiding the masses to always maintain a healthy and uplifting feeling. There is also a question of education with the masses. Because of the differences in standpoints and viewpoints, some members of the public tend to give more consideration to immediate and personal interests. In this case, we should explain right and wrong clearly and explain the pros and cons clearly. The right and wrong are the right and wrong that concern the fundamental interests; the pros and cons are the important pros and cons that determine whether our socialist development can fulfill the targets for this century and the next century. In other words, we must equip and unify the thinking of the whole nation with the theory of building socialism with Chinese characteristics; must arouse a positive, enterprising, and uplifting feeling; must fully mobilize the initiative of the masses; and must focus the mind of the public on the socialist modernization drive.

4. In paying attention to the interests and aspirations of the masses, we must also consistently monitor officials' honesty and diligence in performing their official duties, so as to always maintain their good image as the servants of the people. In the new historical period, whether the interests and aspirations of the masses are heeded at all times is not only measured by whether the party's line and policies represent the interests of the masses, but it is also measured by whether the party's cadres are honest and diligent in performing their official duties, which is actually a question of how they have been serving the people and how well the people have been served. In the final analysis, leading cadres should safeguard the image of the communists and should be good servants of the people. We should have a clear understanding that negative and corrupt phenomena are hot issues among the masses, which they are very critical of and have strong complaints about. They have to some extent damaged the connections between the party and the masses and have undermined the interests of the masses. The people support and cherish a party which works for their interests, but they will never tolerate the practice of seeking personal gain through the abuse of power. They find most detestable those who take advantage of the power given to them by the people to do corrupt things. In recent years, under the leadership of the Party Central Committee with Comrade Jiang Zemin at the core, party organizations at all levels have energetically improved the building of party conduct and government conduct and have made great progress in combating corruption. But this is still falls far short of the expectations of the masses and the demand for maintaining close ties with the masses. We must make even greater efforts in combating corruption and encouraging honesty in office in accordance with the arrangements of the party center and must try to win the trust of the people through practical deeds aimed at improving government conduct. Meanwhile, we should understand that, though it is very important for a leading cadre to be clean and honest, it is not enough. He must also use his power to do

practical things in the interests of the masses in a down-to-earth manner, fulfill his duty as a public servant of the people, and make them happy and satisfied. Especially because our country is now in a difficult pioneering stage of developing the socialist market economy, new circumstances and new contradictions are constantly emerging. There are many difficulties and problems pending solution among the masses. This requires us to concern ourselves with the worries of the masses, help them where needed, solve their difficulties, take substantial measures, do practical things, and produce tangible results, thus bringing visible material benefits to the masses. Therefore, we must oppose the "inverted" relationship between the "public servant" and the "master" and the bureaucratic style of showing no concern for the well-being of the masses and standing high above the masses like overlords. We must overcome formalism and firmly combat the phenomenon of refusing to make in-depth, on-site investigations to find out how the masses are faring in their lives and instead making decisions behind closed doors through abstract thinking to get an undeserved reputation without doing anything practical. We must overcome the coward's and sluggard's way of thinking and oppose the phenomenon of sticking to convention, having no wish for progress, being content with staying put, and lacking the courage to pioneer a new and great cause. Each communist party member, especially each leading cadre in the party, should make vigorous efforts to perform their duties well, breathe with the masses, share destiny with the masses, let their heart and the heart of the masses beat as one, and help push ever forward the cause of socialist modernization with Chinese characteristics.

12 Million Urban Residents Live in Poverty

*HK0812041494 Beijing ZHONGGUO XINWEN SHE
in English 1357 GMT 7 Dec 94*

[FBIS Transcribed Text] Beijing, December 7 (CNS)-According to the State Statistical Bureau of China, 12 million urban residents from 3.7 million families in China lead a comparatively poor life.

The State Statistical Bureau chose 150,000 families from 550 cities and counties for a survey, calculating that the poverty line for urban residents in 1993 was set at annual income of RMB [renminbi] 1,130 per capita and next to poverty line set at annual income of RMB 1,355 per capita.

The survey shows poor urban families share some common features:

First, these families have less income even not enough to buy basic necessities of life. Based on a sample survey conducted among more than 30,000 urban families in 1993, 5 percent of them live in poverty, having annual per capita income of RMB 1,059, lowering by 54.7 percent than the average level of the country. Whereas per capita spending of them was RMB 1,183, the balance of income and spending was RMB 124. Income of these

families was not able to meet the expenditure, they had to depend on borrowing money or use their limited deposits to lead a meager life.

Second, these families are not able to stand soaring prices. Statistics show per capita spending of poor families has increased by RMB 164 in 1993, of which expenditure on food has increased by nearly RMB 100. Though two-thirds of their income are spent on food, they still eat badly and are undernourished. Income of 20.7 percent of these families have dropped in real term due to inflation. Having bought daily necessities, there is little left for clothing. Statistics also show that their per capita spending on clothing in 1993 was RMB 127, 57.8 percent less than the average level of the country. They can only afford low-grade clothing and necessities.

Experts here suggested that the urban poverty-relief plan should be implemented step by step with increase of the country's public finance, in order to help poor families to maintain basic livelihood and to ensure steady and orderly development of society and economy.

Here is a list of poverty lines in various parts of China in 1993 (monthly per capita renminbi income)

Beijing:	143
Tianjin:	97.4
Shanxi:	67.6
Jilin:	70
Shanghai:	168
Jiangsu:	108
Zhejiang:	142
Fujian:	106
Jiangxi:	62
Shandong:	101
Guangdong:	157.6
Hunan:	87.3
Hainan:	91.2
Guizhou:	73.2
Xinjiang:	60

Police Disperse Zhuhai Minibus Strikers

HK0812061894 Hong Kong LIEN HO PAO in Chinese
7 Dec 94 p 1

[Report by Yang Ching-chi (2799 3237 1142): "Zhuhai Minibus Strike Continues; Police Seal Off the Scene and Drive Strikers Away"]

[FBIS Translated Text] Zhuhai—Some minibus operators in Zhuhai City continued their strike yesterday and gathered in Jieyong, a village bordering Zhongshan City, in the afternoon but were dispersed by the police in the evening. People in the minibus business said at 2000 yesterday that they would continue their strike this morning.

The strike started on 5 December, when 72 minibus operators demonstrated against the Zhongshan City Traffic Police Department's prohibition against Zhuhai buses' entry into the Shiqi area. A person in charge of the

minibus business said that Zhongshan City's decision was unreasonable and unfair.

Yesterday morning the chief of the Traffic Police Headquarters of the Guangdong Provincial Public Security Department and the chief of the Zhongshan City Traffic Police Detachment went to Zhuhai and met some 20 drivers' representatives. They held a four-hour talk, during which the drivers' representatives lodged complaints against blackmailing and irrational charges imposed by the management department and demanded that the Zhongshan City Government revoke the prohibition against Zhuhai buses' entry into the city, designate reasonable bus routes, and arrange bus stop locations. The traffic police department promised to consider their proposals but asked them to resume operation.

About 100 minibuses operate between Zhuhai and Zhongshan. Yesterday only a small number were operating and most of them gathered on Yinbin Road South in front of the Gongbei Customs Department. Minibus owners and drivers, "touts" for minibus rides, and taxi drivers planned to stage a general strike yesterday afternoon. But minibus owners' opinions differed after negotiations with the traffic police. Some proposed a further strike until Zhongshan City provided a satisfactory answer; others urged gathering in Dachong to attract attention by creating a traffic jam; still others favored temporarily resuming operation to give the government time to make an adjustment. Some taxi drivers were not enthusiastic about joining the strike, claiming that "making a living is important."

Most of the minibus operators were very upset. Some Zhongshan minibus drivers in Zhuhai were disturbed by the Zhuhai minibus strikers. At 1136, I saw a Zhongshan City bus at the entrance to the Gongbei Bus Station. The bus's route plate had been removed by someone and its right headlight broken. At about 1410, 24 minibuses gathered in Jieyong village to hold a protest.

Because the traffic police blocked both ends of the road leading to the village, no more minibuses could join the protest. At 1550, five police cars arrived on the scene; 20 minutes later the police dispersed the drivers by threatening to revoke their licenses and detain their buses. Some drivers tried to gather in front of the Gongbei Customs Department again but were stopped by the traffic police.

At night, some minibuses started operating. It was said that each minibus suffered a 500-yuan loss from the day's strike. Some minibus drivers said they would continue their strike this morning, hoping for an early adjustment from Zhongshan City.

Hong Kong and Macao reporters covering this event tried to interview the Zhuhai traffic police, the city ombudsmen, and the city transportation commission officials, but none of them appeared to meet the reporters. Their office clerks refused to comment, claiming they were not clear about the situation.

A person in charge of the Zhongshan City Traffic Police Department explained that because the city is rectifying traffic order in the old district, it is limiting the number of vehicles entering the city. This is not aimed at Zhuhai buses alone; all passenger vehicles must follow these entry procedures.

Column Urges Learning From Modern Chinese History

HK0712125694 Beijing RENMIN RIBAO in Chinese
11 Nov 94 p 4

[“People’s Forum” column by Mi Bohua (4717 0590 5478): “Learn From Modern History”]

[FBIS Translated Text] What is the purpose of studying modern Chinese history? The purpose, of course, is to remember tens of thousands of our innocent countrymen who died under the guns of foreigners, recall how the people of Sanyuanli fought to their death, how 250 navy soldiers and officers of the warship “Zhi Yuan” bravely sacrificed their lives on that ship for their country, and how the patriotic “six gentlemen of the 1898 100-Day Reform,” the “72 martyrs of Huanghuagang”, and countless numbers of revolutionary pioneers gave their lives for justice. However, what is most significant is that we draw lessons from this period of sad and painful history to arouse ourselves to vigorous efforts to make our country prosperous, to encourage ourselves to strive to make the country strong, and to do a good job in what we are doing today, as well as writing China’s future history well.

The period of modern Chinese history began with the Opium War of 1840, and this was very significant. If China before that period could be described as living in the dream world of a heavenly kingdom that “was powerful and commanded respect from all other countries,” then the China after that period was pulled into the world arena by the iron gunboats of powerful nations and could no longer enjoy the tranquillity of being cut off from the rest of the world. Whether it liked it or not, China was compelled to fight wars since it was given no other choice. The world since then has experienced two world wars and continuing struggles between oppression and liberation and between aggression and anti-aggression. In a certain sense, such contests in the world arena have continued to this day. Although the political situation, contrasts of strength, and means of struggle have changed a great deal, it is obvious that all countries and nations wish to occupy a relatively positive and advantageous position in the contest for survival and development. Even today, when peace and development are the major trend in the world situation, challenges and contests continue to exist.

Today is a continuation of the past and a starting point for the future. To be sure of oneself in one’s actions now and in the future, it is imperative to draw an invaluable lesson from history. Only in this way can China be regarded as a wise and intelligent nation. In the course of

a country’s development, both rises and falls have their own causes. Studying modern Chinese history and gaining insight from reviewing it are steps which are conducive to us in seizing the opportunity, promoting reform, and realizing the great strategic “three-phase” development goal.

Modern Chinese history is very rich in its contents, of which the three lessons taken from hardship are the most memorable.

Without strength there is no respect to speak of. The modern period saw more unequal treaties signed between China and foreign powers than at any other time. The so-called negotiations only meant decisions without consultations. Apart from making territorial concessions and paying indemnities, China was not allowed to say anything else. Why was this the case? The answer is: warships and guns were lining up behind the negotiating table. The corruption of the imperial court and the weakness of the country only encouraged foreign powers to become more aggressive. People should still remember the scene of Chinese people shouting the slogan “Reason wins over power” and demanding that Germany return Qingdao to China after World War I. The foreign powers, however, took no notice of the demands of the Chinese people, but even went so far as to make a deal at the expense of the Chinese territory. The facts taught the Chinese people that justice did exist, but without the backing of strength, it was simply too weak to withstand any blow. Today, we can still detect traces of hegemonism and colonialism. Compared with 100 years ago, however, these foreign powers are no longer able to throw their weight about as they once did. This is because China today is not the China of yesterday. Viewing its strength in various aspects, China is no longer insignificant. Some athletes have put it well: Respect does not come from begging, but from hard competition. The conclusion is that poverty is not socialism and can never bring respect to any country.

Without self-improvement there is no strength to speak of. People find it hard to understand why China, with its vast land, large population, and splendid culture, could have been reduced to such a tragic state—like a tiger helplessly bullied by dogs on the plain. This was because the ruling court was corrupt, warlords fought each other, the nation was divided, people had no means of livelihood, and the country, despite being large, was very weak. As the ancients used to say: “Once politics goes bad, the country falls with it.” Although a country may be large with a huge population and it may build impregnable defenses, once divided, split, and unstable, that country cannot be strong. Modern Chinese history tells us that to be strong, China has to rely first on nationality solidarity and the stability of society. If the 1.2 billion Chinese people are united as one and strong as a fortress, no one can stop our nation from becoming prosperous.

Without reform there would be no self-improvement. Whither will China go? This is a question that for more

than a hundred years countless people with high ideals have thought hard about. This was why the political reform campaign aimed at making China strong constituted a most moving chapter in modern Chinese history. Even today as we read the articles of the early reformers, such as Kang Youwei, Liang Qichao, Sun Yat-sen, Chen Duxiu, and Li Dazhao, we still find them vigorous and energetic. However, it was the thousands upon thousands of Chinese Communists, represented by Mao Zedong, who turned reform theories into practice and put an end to a history of semifeudalism and semicolonialism. The reform and opening up initiated by Comrade Deng Xiaoping has pushed such great changes to a most glorious phase. At least we can see that during the period of more than 150 years since the Opium War, the Chinese people have never had the kind of strength and confidence they have today. Social changes, which have taken place during the past 100 years or so, have given China and the Chinese people a completely new outlook and have made them real giants of further development and creation. So long as we march along the road of building socialism with Chinese characteristics, China will have a very promising future.

By not forgetting the events of the past, one can draw lessons from them. Learning from modern Chinese history will make us cool-headed and even more confident.

Researchers Say Country Needs To Invent New Names

HK0812103494 Hong Kong AFP in English 0945 GMT 8 Dec 94

[FBIS Transcribed Text] Beijing, Dec 8 (AFP)—China has too many people and not enough names, so researchers want to invent new ones.

There are only about 3,100 family names for 1.2 billion people, and almost all are composed of a single character or syllable, according to professors Du Ruofu and Yuan Yida, quoted Thursday in the China Youth Daily.

In many regions, thousands of people carry the same first and last names. In Tianjin, a large northeastern city, more than 2,000 people are called Zhang Ying and Zhang Li.

The Academy of Sciences researchers want to ease confusion over identification by reforming the Chinese system of names. They propose inventing new names, borrowing foreign names and translating the surnames of the country's ethnic minorities into Mandarin, the official Chinese language.

Ministry Circular: Love-People-Month Activities

OW0812131194 Beijing Central People's Radio Network in Mandarin 1030 GMT 6 Dec 94

[From the "National Hookup" program]

[FBIS Translated Text] With the approach of New Year's Day and Spring Festival—two major traditional

holidays in China—public security organs' annual love-the-people month activities will begin in all parts of the country. The Ministry of Public Security recently issued a circular calling on public security organs in all areas to do a good job in launching the 1995 love-the-people month activities. The main theme of the activities is cherishing the people while serving at one's post.

The circular called on public security organs in all areas to strengthen the ties between the police and civilians and to tighten public order management so as to enable the masses of people to enjoy the traditional holidays in a stable and harmonious atmosphere. Public security organs in all areas should vigorously launch educational activities on loving one's work post and carrying one's duty to serve the people; establish a system of reporting work to all sectors of society and to the masses; listen to opinions from the masses; focus on solving problems which the masses have complained about; and further foster the good image of public security organs so as to add something new to these activities.

Science & Technology

Meeting on Communications, Transportation Development

HK0812040994 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1014 GMT 22 Nov 94

[FBIS Translated Text] Beijing, 22 Nov (ZHONGGUO TONGXUN SHE)—The second meeting of the third council of the China Association of Communications and Transportation Industry was held in Beijing recently. The participants studied and discussed the development of transportation and telecommunications in China for the 1996-2010 period. They plan to submit a proposal to the concerned government department to use as a reference when formulating the Ninth Five-Year Plan and the plan for the first decade in the next century.

The central idea of this proposal is that, over the next 15 years, China should concentrate its limited financial resources on two projects: to build and improve "four longitudinal" and "six latitudinal" complex transportation trunks and 15 key communication hubs, which have nationwide strategic significance, and to build and intensify "eight longitudinal" and "eight latitudinal" telecommunication trunks as well as major telecommunication hubs in the major cities.

The "four longitudinal" transportation trunks refer to the four complex transportation trunks that run from north to south along the coast and across the eastern, central, and western parts of China. The "six latitudinal" transportation trunks represent the six complex transportation trunks that run from east to west, one along the Chang Jiang, three across the southern, southwestern, and northern regions—one of which will be used to ship coal out of the Shanxi-Shaanxi-Western Inner Mongolia area—and two running across north China and the Northwest. The 15 key communication hubs are Beijing,

Shenyang, Shanghai, Guangzhou, Wuhan, Tianjin, Dalian, Nanjing, Chongqing, Xian, Kunming, Urumqi, Xiamen, Haikou, and Zhengzhou.

Complex transportation trunks refer to major transportation lines which are used by various modes of transport, such as railways, highways, waterways, ports, tunnels, and air routes, and which work together in a coordinated manner, each displaying its own strong points; whereas key communication hubs are junctions where these transportation trunks merge or intersect.

In the area of postal and telecommunication services, the "eight longitudinal" telecommunication trunks will be intensively developed with a view to establishing a large-capacity digital optical fiber trunk network. They are the Harbin-Guangzhou, Qiqihar-Sanya, Beijing-Shanghai, Beijing-Jiulong, Hohhot-Beihai, Hohhot-Kunming, Xining-Lhasa, and Chengdu-Nanning optical fiber cable trunk lines.

The "eight latitudinal" telecommunication trunks are the Beijing-Lanzhou, Qingdao-Yinchuan, Shanghai-Xian, Lianyungang-Yining, Shanghai-Chongqing, Fuzhou-Chengdu, Guangzhou-Nanning, and Guangzhou-Kunming optical fiber cable trunk lines, which run from east to west.

University Leads in Computer Manufacturing Research

HK0812082694 Beijing GUANGMING RIBAO in Chinese 20 Nov 94 p 1

[Report by reporter Jin Zhenrong (6855 2182 5554): "Qinghua University Takes the Lead in CIMS Research in the World"]

[FBIS Translated Text] Beijing 19 Nov (GUANGMING RIBAO)—A heavy fog shrouded Beijing's Shoudi Airport at around 1700 today, but the lights in the VIP hall threw the warm atmosphere into sharp relief. Bouquets, smiling faces, and applause showered the seven scientists and technicians of Qinghua University's CIMS [Computer Integrated Manufacturing System] Engineering Research Center, who had just returned to China with honor.

Thanks to the outstanding accomplishments of this research center in the application and exploitation of CIMS, as well as its nurturing qualified people, it received a "leading university award" a few days ago from the American Society of Manufacturing Engineers. This award signals that China's industrial automation hi-tech research, with the support of the "863" Plan, is up to the world's top level.

Responsible persons of related departments, and representatives of science, technology and educational circles were here to participate in the welcome-home ceremonies.

The American Society of Manufacturing Engineers, a world-famous authoritative academic organization, has set up two awards to forward worldwide exploitation and application of CIMS technology: the "Leading University Award," and the "Leading Industry Award." The former is conferred on institutes of tertiary education, and the latter on enterprises. A recipient is elected worldwide through assessment each year. Since the "Leading University Award" was founded in 1985, nine famous universities been winners, including the University of Illinois and the University of Wisconsin of the United States, the British Cranfield Polytechnic, and Singapore's Nanyang Polytechnic University. Qinghua is the third university outside the United States to have won the award.

According to briefings, the American Society of Manufacturing Engineers formulated detailed criteria for discussing and assessing the "Leading University Award." The main contents included the level of research in CIMS technology, results in applying CIMS technology to the industrial circles, and accomplishments in bringing up high-level full-time college students and post-graduates.

To accelerate research in CIMS technology, related departments began to build the national CIMS engineering research center in the late 1980's, and set this project to be a key construction item in the "863" Plan, with Qinghua University taking up the main tasks in building it. The center was completed in late 1992, and passed testing and acceptance organized by state related departments in March 1993, with its level up to several CIMS centers in Europe and the United States, and to the world advanced level at that. At present, the key technology, results and experiences of this center are applied to a dozen or so factories in China, with marked economic effects.

It was learned that in order to accelerate the application of CIMS technology to large- and medium-sized enterprises, leading comrades including Zou Jiahua, Li Lan-qing, and Song Jian gave instructions recently, stressing the need to view the significance of applying CIMS technology from the plane of building a modern enterprise management system. Related departments already have made arrangements for implementing these instructions so as to strive to apply CIMS technology to more than 100 enterprises in China by the year 2000.

It has been learned that in the wake of China's winning the "Leading University Award," Professor Wu Cheng [0702 3397] has become a new member on the committee for discussing and assessing this award, with a four-year tenure. A related figure stated: Now that China has received the "Leading University Award"; in the next step, China would strive for the "Leading Industry Award" and to keep abreast of the world advanced level in the arena of CIMS application.

Commentary Urges Spread of CIMS Technology

HK0812082794 Beijing GUANGMING RIBAO in Chinese 20 Nov 94 p 1

[“Short Commentary”: “Let CIMS Technology Advance Toward the Enterprise Still Faster”]

[FBIS Translated Text] The state CIMS [Computer Integrated Manufacturing System] Engineering Research Center, set up in Qinghua University, has received the “Leading University Award” of the American Society of Manufacturing Engineers, thus bringing back home a “Gold Medal for Science and Technological Olympics,” which is deserves congratulations.

CIMS is a forward hi-tech technology. In only a few years, China has succeeded in building its own CIMS engineering research center, and in addition, has brought up a number of researchers in CIMS engineering technology. The fact that China has won this award is an affirmation of its accomplishments in the hi-tech arena. Just as an authoritative journal of the industrial circles, the U.S. MANUFACTURING ENGINEERING [zhizao gongcheng 0455 6644 1562 4453], put it: “From Qinghua University’s CIMS Center, one can see that China will surface in the world arena as a new industrial power.”

China’s CMIS technology no longer remains in the laboratory phase, and is beginning to advance toward the enterprise, while scoring marked economic returns in practical application. Such large and medium-sized state-owned enterprises as the Shenyang Blower Manufacturing Factory, the Beijing No. 1 Machine Tool Plant, and the Chengdu Aircraft Manufacturing Company all have greatly augmented their comprehensive competitiveness thanks to the adoption of CIMS technology.

In the final analysis, the competition between enterprises is a contest of scientific and technological strength, whereas the change in production mode will be an important part of an enterprise’s progress in science and technology for some time in the future. People with vision forecast that CIMS will be the new dominant production mode in the 21st century. At present, many enterprises in China are facing the situation of participating in international market competition. Some experts forecast that if the application of CIMS technology spreads to a number of enterprises, the capabilities of these enterprises for developing new products and for adjusting themselves to changing market circumstances will be greatly elevated, and China’s industrial technology level also will mount a new plane. Such being the case, enterprises should see the importance of spreading CIMS technology from the plane of participating in market competition both at home and abroad, elevating their competitiveness for survival, and building a modern enterprise system.

Economic & Agricultural**Li Guixian Urges Better Use of Foreign Intellect**

HK0812041594 Beijing ZHONGGUO XINWEN SHE in English 1337 GMT 7 Dec 94

[FBIS Transcribed Text] Beijing, December 7 (CNS)— Reform and further development undertaken in China request higher demand of intellectual involvement and it is, therefore, necessary for work to be done in a planned way on introduction of foreign experts as well as on the sending of personnel for training abroad, said the State Councillor Mr. Li Guixian.

Speaking at a closing ceremony of a national meeting on introduction of foreign intellectual resources, Mr. Li stressed several points. First, to serve modernization of agriculture has to be given priority in the bringing in of foreign intellectual technology and talents.

Second, intellectual introduction has to be made in order for the better running of state owned medium and large-sized enterprises, for the establishment of a modern enterprise system and for the undertaking of key projects and basic facilities construction.

Third, the introduction work has to be closely coordinated with the implementation of the reform and development programme for education. Talented persons have to be fostered to meet urgent needs of modernization and exploitation of the socialist market economy system.

Fourth, channels for further intellectual introduction have to be looked for. Exploitation of overseas Chinese intellectual resources has to be carried out.

Fifth, living and working conditions have to be given much attention for foreign experts who have been living and working in China for a long period. Mr. Li also appealed for a greater input into the intellectual introduction work.

The strategical policy adopted by China mainly lies in bringing in foreign intellectual resources to serve the build-up of China. The Director of the State Bureau of Foreign Experts Affairs Mr. Ma Junru revealed that a total of 130,000 foreign experts were hired across the country between 1993 and October, 1994. About 150,000 more will be hired overseas to work in China in next year and the year after.

The five-day meeting attended by leading officials including Mr. Song Ping, Mr. Zhang Jingshu, Mr. Zhao Dongwan and Mr. Zhou Guangshao was closed today.

State Council Allocates Pork Reserves to Sichuan

HK0812111494 Chengdu Sichuan People’s Radio Network in Mandarin 2300 GMT 7 Dec 94

[FBIS Translated Excerpt] To alleviate pork shortages in Sichuan markets and control pork prices, the State Council recently allocated 250 million kg of special

reserve grain to Sichuan along with a special loan of 500 million yuan to help stabilize the province's pork markets. For this reason, the Sichuan Provincial Government has decided to procure 5 million pigs in the period leading up to the Spring Festival to ensure pork supplies for large and medium-sized cities in the province. The special reserve grain will be used to raise pigs. [passage omitted]

Academics Debate Causes of Inflation

HK0712130194 Beijing RENMIN RIBAO in Chinese
21 Nov 94 p 5

[“Academic Trends” column by Zhang Xiangda (1728 0686 6671): “Contributing Factors to Inflation in China and Ways To Deal With It—Roundup of National Symposium on Theories on the Macroeconomy and Financial and Monetary Regulation and Control”]

[FBIS Translated Text] The “National Symposium on Theories on the Macroeconomy and Financial and Monetary Regulation and Control,” co-sponsored by the Economics Institute of the Chinese Academy of Social Sciences and the Northeast University of Finance and Economics, was held in Dalian recently. The participating experts and scholars held discussions on the question of inflation in the current macroeconomic movement.

1. Contributing Factors to Inflation

The participants had great differences on this issue. The main viewpoints were as follows:

The first viewpoint is: The current inflation has been caused by excessive demand. It belongs to the category of “demand-pull inflation.” In China, a kind of “cost-push inflation” exists, that is, the wage costs of state-owned enterprises have been increasing continuously at a higher rate than increases in labor productivity, which has aroused a chain reaction in the commodity price level. But this factor has long existed in China’s economic structure, which is the same when the economy is “overheated” or when it is “cool.” Therefore, it cannot be the cause of the high inflation rate. Over the past few years, China has been readjusting its economic structure. At the same time, it has also readjusted commodity prices. This has not caused a great increase in prices. Therefore, we cannot use structural inflation to explain the situation in recent years. Over the past two years, the main problem in China’s economy is that the swelling of aggregate demand has intensified the restrictive role of the structure as a “bottleneck.”

The second viewpoint is: The current inflation is a kind of “cost-push inflation.” Participants holding this viewpoint also had different views on the contributing factors to “cost-push inflation.” First, generally speaking, since June 1993, when the 16 measures for strengthening and improving macroeconomic regulation and control were promulgated and implemented, there has been a trend of

tightening in macroeconomic policy, especially in monetary and credit policy. But the problem of debt chains among enterprises has become serious, and an increasing number of enterprises have ceased operations or production because of a shortage of funds. This has not only affected the normal increase of production but is also detrimental to the maintenance of a political situation of stability and unity. In the fourth quarter of 1993 and the second quarter of 1994, the central authorities carried out an appropriate readjustment of the strength of regulation and control and increased the supply of money to enterprises. This was a “cost-push” inflation course. Second, some participants drew the conclusion that China’s inflation belongs to the “cost-push” type after analyzing the long-term characteristics of China’s economic operations. They held that the low efficiency in economic operations, especially the low efficiency of worker and labor management and the low utility rate of investment and capital has resulted in greater aggregate demand than aggregate supply. Moreover, wage rigidity and employment rigidity in China’s economic operations, the high-growth objective, and rivalry among various regions and departments has resulted in the long-term existence of inflation in our country.

The third viewpoint is: China’s inflation is a kind of mixed inflation, that is, a mixture of supply and demand. This is because supply-type inflation in a pure sense cannot be sustained in real economic movement. But there is a special path leading to price increases in this type of supply-demand inflation, that is, this kind of inflation may not start in the production sphere and the original contributing factor may not be factors in the supply field (cost), but may start in the circulation sphere, and the contributing factor may be excessive demand in the commodity market. The course of its formation is that excessive money supply and an excessively large scale of investment lead to an excessive increase in demand in the commodity market. Some of this excessive demand in the commodity market is expressed by the rising price index, and another part becomes residual demand. The latter becomes a latent pressure on the commodity market, while the former produces a direct impact on the prices of the major elements in the production sphere. As a result of growing commodity prices, wages and other major cost elements have also increased. Judging from China’s situation, before reform, inflation was mainly caused by the demand factor. But in the reform period, while there has been demand-pull inflation, there has also been cost-push inflation in major fields. For example, the growth rate of cash wages has been too fast and a seller’s market has resulted in monopoly profits among sellers. Rivalry among workers for higher pay, a wage system in enterprises which is without self-discipline and self restriction, and a monopoly of prices by sellers in a seller’s market are the basic reasons for the emergence of supply-demand type inflation.

2. Measures To Deal With Inflation

Most scholars held that inflation hinders economic development. This can be seen from the following facts: First, because of inflation, there is usually a redistribution of national income, which widens the gap between rich and poor with respect to their incomes, creates disturbances in society, and is detrimental to the further and continuous development of the economy. Second, inflation usually leads to an excessively high rate of economic growth, results in an overheated economy, and lowers the dynamic efficiency of economic growth. Third, economic uncertainty caused by inflation hinders the growth of savings deposits and the expansion of actual investment, especially the importation of foreign capital. The participants unanimously held that it is necessary to adopt countermeasures to ease and deal with inflation so that a more relaxed and better monetary and financial environment can be created for reform. They have also reached a common understanding on some countermeasures to deal with inflation.

1. Adopt the soft landing method by striving to curb the high inflation rate on the basis of rapid economic growth.
2. In order to more effectively deal with inflation, it is necessary to practice "double-track regulation and control" under the "double-track system" in light of the specific situation of China's economic structure. The reason is that the effectiveness of different policies on macroeconomic regulation and control depends on the different conditions of the economic structure, especially the microeconomic base. It is necessary to use both market means and administrative means to carry out "indirect regulation and control" and "direct regulation and control" of inflation.
3. In the macroeconomic field, it is necessary to implement management over aggregate demand and improve the existing supply situation. It is necessary to accelerate reform of the government structure and enterprise system so that the government can become the enforcer and supervisor of laws and an indirect regulator and controller in the course of economic movement, while enterprises can become commodity producers and economic information receivers.
4. It is necessary to accelerate the pace of monetary reform and improve the investment structure. Commercialized management will gradually be carried out by the banks, and the existing relationship between the banks and the financial departments will be improved. Monetary instruments will be diversified, existing policies on interest rates will be reformed, and control over investments in enterprise plant will be appropriated relaxed on the premise of strictly controlling the scale of investment. Efforts should be made to ensure that new investment will actually play a role in regulating the industrial structure and optimizing the economic structure.

Influx of Foreign Capital Fuels Inflation

HK0712131694 Beijing CEI Database in English 7 Dec 94

[FBIS Transcribed Text] Beijing (CEIS)—Inflow of sharply increasing foreign capital into China, which pushes up the scale of fixed assets investment and money supply in the country, has become a new factor fuelling the domestic inflation, a banking official noted.

Xie Ping, a senior official with the Policy Research Office of the People's Bank of China, the country's central bank, said that massive inflow of foreign direct investment into the country's real estate sector and fixed assets construction has boosted the expansion of the fixed assets investment scale.

According to official statistics, actual foreign direct investment in China amounted to 22.7 billion U.S. dollars in the first ten months of 1994. Plus foreign borrowings, the total amount of foreign capital flowing into the country in the period is expected to come close to 23 billion U.S. dollars.

The figure was unprecedentedly large, Xie said. Meanwhile, under the country's new foreign exchange system adopted on January 1, 1994, enterprises may convert their foreign exchange earnings into Chinese bank notes, thus leading to a surge in the deposits of the Chinese currency, Xie added.

In the January-October period, according to statistics, the amount of newly added enterprise deposits was 220 billion yuan more than the figure for the same period of 1993.

Also, the increase was partly due to the inflow of short-term foreign capital into Chinese enterprises via the foreign-funded enterprises in the country, Xie pointed out.

Enterprises' favor for converting their foreign exchange earnings into Chinese bank notes, which was lured by the Chinese currency's appreciation against foreign currencies and in return has fueled the Chinese currency's appreciation on the country's foreign exchange market so far this year, resulted in sharp increases in the state's foreign exchange reserves.

In the first ten months, the amount of China's state foreign exchange reserves increased about 20 billion U.S. dollars, and accordingly, the money supply of the Chinese currency under the item of foreign exchange occupancy also surged, compared with declines in the same period of 1993.

The above-mentioned factors stimulated China's money supply, and thus caused more pressures on inflation control, Xie noted.

In the first nine months of 1994, the country's money supply (M2) soared 37 percent over the 1993 same period, the highest growth rate over the past 10 years.

Meanwhile, Xie added, the inflow of foreign capital, together with the growth of funds raised by Chinese enterprises themselves, has made the Chinese government more difficult to control the scale of fixed assets investment through budgetary and credit means.

It is learned that the growth of China's fixed assets investment had remained high until September this year, though the state banks granted loans for fixed assets investment as strictly as planned in the first ten months.

Though inflow of foreign capital is conducive to the growth of domestic economy, Xie suggested that related domestic policies be worked out to match the expansion in foreign investment.

He believed that the pressures on inflation will ease and disappear after a period of adjustment.

Cities Register GDP of 2.742 Trillion Yuan

HK0712132194 Beijing CEI Database in English 7 Dec 94

[FBIS Transcribed Text] Beijing (CEIS)—China's 570 cities registered a gross domestic product (GDP) totalling 2,742.2 billion yuan in 1993, accounting for 87.38 percent of the gross national product of the country, according to the latest figure provided by the State Statistical Bureau.

Among them, 19 cities each had a per capita GDP exceeding 8,000 yuan in 1993, 10 more than in 1992, and 40 cities above the prefecture level each had a GDP exceeding 20 billion yuan, 20 more than in 1992.

The 40 cities, which produced a GDP totalling 1,434.93 billion yuan, accounting for 45.73 percent of the gross national product of the country, are ranked as follows:

Shanghai, Beijing, Guangzhou, Tianjin, Suzhou, Wuxi, Shenzhen, Shenyang, Chongqing, Hangzhou, Qingdao, Chengdu, Yantai, Foshan, Nanjing, Weifang, Dalian, Wuhan, Yangzhou, Ningbo, Shijiazhuang, Jinan, Zibo, Tangshan, Daqing, Anshan, Nantong, Fuzhou, Zhaoqing, Weihai, Changzhou, Changchun, Quanzhou, Harbin, Xuzhou, Jining, Jiangmen, Xi'an, Shaoxing and Zhengzhou.

The first four cities of the 40 each had a GDP of more than 50 billion yuan, and each of the following four had a GDP of over 40 billion yuan.

Of the 19 cities (including the counties under their jurisdiction), Karamay and Zhuhai each had a per capita GDP exceeding 20,000 yuan. They are followed by Haikou, Shenzhen, Shiyan, Guangzhou, Foshan, Daqing, Shanghai, Wuxi, Panjin, Jiayuguang, Xiamen, Weihai, Suzhou, Dongguan, Beijing, Zhongshan and Anshan.

If the counties under their jurisdiction are excluded, the number of cities whose GDP each exceeded 20 billion yuan increased by seven to reach 13 in 1993. They are

Shanghai, Beijing, Guangzhou, Shenzhen, Tianjin, Shenyang, Wuhan, Nanjing, Daqing, Zibo, Qingdao, Dalian and Chongqing.

Technical Import Group Established in Beijing

OW0812120294 Beijing XINHUA in English 1142
GMT 8 Dec 94

[FBIS Transcribed Text] Beijing, December 8 (XINHUA)—Establishment of the China National Technical Import and Export Corporation (CNTIEC) Group was announced in Beijing today.

The new conglomerate, with 128 member companies, was founded to promote technology trade between China and other foreign countries.

CNTIEC, which has a history of more than 40 years of handling imports of foreign know-how, as well as imports and exports of complete plants, will remain the core of the new group.

Members are from over 40 industries involving foreign trade, internal trade, production, manufacturing, project contracts, scientific research, design, and consultancy.

Chinese Premier Li Peng, Vice-Premier Zou Jiahua, and Li Lanqing all contributed their personal calligraphy in which they expressed the hope that the new group will make greater contributions to promoting the national economy, technical progress, and foreign trade.

Tong Changyin, chairman of the board of CNTIEC, said at today's inaugural ceremony that his group will have technological trade as its main business, with industries as the base, backed by scientific research, and will try hard to build itself into a transnational conglomerate by uniting trade, production, investment, scientific research, finance, insurance, consultancy and services as one.

CNTIEC has imported more than 2,600 items in technology and complete plants for the country since it was first set up in 1952, with total imports worth 60 billion U.S. dollars. Exports of the company have been rising rapidly over the past few years.

Wu Yi, minister of economic cooperation and foreign trade, also sent a letter of congratulation to the CNTIEC Group and believes that the new company group will become an important force in the field of international technological trade.

Beijing To Build More Ports With Foreign Capital

OW0712134794 Beijing XINHUA in English 1246
GMT 7 Dec 94

[FBIS Transcribed Text] Shanghai, December 7 (XINHUA)—China's ports are becoming another investment hot spot for foreign entrepreneurs.

A series of policies have been unveiled to reduce or cancel income taxes, customs duties, and industrial and commercial taxes for joint ventures involved in building and managing ports for China, according to an international port trade fair now being held here.

Foreign business concerns are entitled to join in port construction and management, cargo loading and unloading, and port leasing in China. They are also allowed to build port areas for special use and to open new water routes.

Port construction has long been listed as one of China's top infrastructure projects, experts said.

Shanghai has signed a 50-year contract with Hutchison Whampoa Ltd of Hong Kong to set up a container company at a cost of 5.6 billion yuan in the Shanghai port.

Hutchison Whampoa has entered another agreement to manage a container dock at a port in Zhuhai, in south China's Guangdong Province.

Ningbo, in east China's Zhejiang Province, and Xiamen and Fuzhou in southeast China's Fujian Province are also negotiating with foreign investors to build ports and handle loading and unloading.

China will have constructed a dozen new ports, including ones at Dalian in northeast China's Liaoning Province, Qinhuangdao in north China's Hebei Province, Nanjing in east China's Jiangsu Province, Ningbo in east China's Zhejiang Province and Guangzhou in Guangdong Province, each with a handling capacity of over 100 million tons by the year 2000, according to sources at the fair.

Over 100 firms from Germany, the United States, Britain, Italy, Switzerland, Sweden, Russia, Japan, Singapore, Hong Kong and other countries and regions are taking part in the fair.

Exhibiting advanced port construction machinery and equipment as well as modern port management skills, they hope to win opportunities to co-operate with China in port construction.

By the end of this century, ships totalling some one million dwt will be added to the current fleet in China.

Meanwhile, China will organize eight maritime networks to transport coal, oil, timber, cereals, containers, passengers and ore.

About 1,000 berths are currently in operation in China, including about 300 deep-water docks with a total handling capacity of over 10,000 dwt. They handle 600 million tons of cargo each year, ranking China tenth among all the countries and regions in the world.

Priority has been given to constructing four international deep-water ports—in Dalian, Ningbo, Fuzhou and Shenzhen respectively.

China aims to increase the number of ports along its coast to 2,000, with a total annual handling capacity of one billion to 1.1 billion tons.

High Energy-Consuming Industry Rises in Huang He

*OW0812103994 Beijing XINHUA in English 1018
GMT 8 Dec 94*

[FBIS Transcribed Text] Yinchuan, December 8 (XINHUA)—A large group of energy gobbling industrial enterprises have popped up along the upper reaches of the Yellow River [Huang He] where there are abundant water and mineral resources.

The upper reaches of the Yellow River stretches 3,470 km from the river source to Tuoketuo County in Inner Mongolia Autonomous Region, flowing through Qinghai and Gansu Provinces, the Ningxia Hui Autonomous Region and the Inner Mongolia Autonomous Region. The river valley in this stretch covers about 300,000 sq km.

Apart from water power reserves, the area is rich in ores containing metals like nickel, copper, gold, aluminium, zinc and cobalt, and minerals such as coal, silica, gypsum. The deposits of some ranks fairly high in the country.

Statistics from these provinces and regions show that the river valley has accommodated more than 200 large or medium-sized industrial enterprises that can put the locally available resources to best use, and their industrial output accounts for over 60 percent of the total in these provinces and regions.

For years, their industrial output has been growing at an annual rate of ten percent, and a lot of their products are hot sellers on domestic and overseas markets.

During the past decade, the central and local governments have been carrying out favorable policies to give priority to exploiting water power and coal reserves to promote industries in metallurgy, chemicals, building materials, and coking.

So far, the state has poured tens of billions of yuan into the construction of a series of hydropower stations along the main stream of the Yellow River.

The current five hydropower stations, including Liujiaxia and Qingtongxia, provide more than half of the power supply by the northwestern power grid.

In addition, there are eight other thermal power plants to supply power to the energy-consuming industrial enterprises in this area.

Gansu, Qinghai and Ningxia now produce 700,000 tons of nonferrous metals a year, about 18 percent of the country's total production.

Meanwhile, the production of ferrous metals has soared in recent years thanks to technological progress at local iron and steel makers.

Local enterprises also turn out large amounts of products such as coal, salt, coke, calcium carbide, dicyandiamide, methyl alcohol, and building materials such as cement, glass.

The development of industry has changed the local economic pattern. The Ningxia Hui Autonomous Region, which used to rely on agriculture and animal husbandry, has built a number of pillar industries thanks to the ample supply of electricity and coal.

In Gansu Province, half of its 35 top industrial enterprises are energy-consuming ones.

The resource advantage has also attracted funds, technology and personnel from outside the area.

In the past decade, the state and the four provincial and regional governments started more than 40 key projects in this river valley.

Country's Aerospace Monitoring System Takes Shape

*OW0812061094 Beijing XINHUA in English 0524
GMT 8 Dec 94*

[FBIS Transcribed Text] Beijing, December 8 (XINHUA)—Along with the steady development of its aerospace industry, a relatively well-equipped aerospace tracking and tele-metering system, comprising a carrier rocket monitoring system and a satellite tracking network, has been developed in China, according to the aeronautics engineering corporation.

The system has provided tracking and tele-metering during the launch of more than 30 foreign and domestic satellites, and has done the follow-up tracking and overseeing of those in operation, the corporation's executives revealed.

China now has three separate systems for tracking carrier rockets being launched, offering services for the Jiuquan launching pad in northwest-China's Gansu Province, the Xichang launching pad in southwest-China's Sichuan Province and the Taiyuan launching pad in north-China's Shanxi Province.

The three systems are suited for the launching of technological and scientific experiment satellites, and synchronous orbit and synchronous polar orbit satellites. They help to choose a proper landing spot for carrier rockets whose propellant fails, in order to avoid damage to facilities on the ground in the area.

In another development, China has completed its satellite tracking network, which consists of a tracking center, five permanent tele-metering stations, two mobile stations, and two tele-metering vessels. The tracking center,

located in Xian, capital of northwest China's Shaanxi Province, is capable of monitoring six man-made satellites simultaneously.

The Chinese aerospace monitoring system also includes a telecommunications network, which links the separate tracking center, tele-metering stations, and vessels as a unit.

Experts noted that in the wake of this development of its aerospace industry, China is in desperate need of renovating and upgrading its tracking and tele-metering system, if it is to meet the growing demands of landsat launchings.

Long-term research programs on satellite data are already being considered as part of the aerospace agenda.

Overseas Accountants Obtain Domestic Qualifications

*OW0812093294 Beijing XINHUA in English 0851
GMT 8 Dec 94*

[FBIS Transcribed Text] Beijing, December 8 (XINHUA)—Eighty-eight overseas accountants have obtained domestic qualifications as certified public accountants (CPA), while holding visas for conducting future business operations in the Chinese mainland.

They represent 33 percent of all the 391 overseas persons who participated in the national exams held in early November. It was also the first time that such exams had ever included overseas professionals.

Official from the Chinese Institute of Certified Public Accountants (CICPA) said that 4,642 out of the 73,200-odd Chinese examinees passed the qualifying exams.

Most of the overseas examinees were from Hong Kong, Macao and Taiwan. There were also people from countries which have reciprocal agreements with China, including the United States, Britain, Australia, Singapore, Malaysia, and New Zealand, according to CICPA officials.

The 88 CPA qualification holders can apply for CICPA's non-practicing membership, but are not permitted at present to open a business in China, which has not thrown the door open to independent foreign CPA firms.

They could, however, gain access to the Chinese accounting market by joining a Sino-foreign accounting firm already operating in China, noted CICPA officials.

Prospects for business in the mainland are still quite bright in spite of this, as China has promised to gradually open its accounting market in the latest round of negotiations over GATT, the officials said.

So far China has eight joint CPA ventures in Beijing, Shanghai, and Shenzhen. The foreign partners are all from the world's leading international accounting companies, such as Arthur Andersen, Peat Marwick, Price Waterhouse and BDC-Schindia.

Legend Computer Sales Volume Increases 30 Percent

*OW0812101294 Beijing XINHUA in English 0951
GMT 8 Dec 94*

[FBIS Transcribed Text] Beijing, December 8 (XINHUA)—The Beijing-based Legend Computer Group has reported a total sales volume of some four billion yuan (about 460 million U.S. dollars) so far this year, an increase of 30 percent over the same period of last year.

Addressing a meeting commemorating the 10th anniversary of the founding of the group, President Liu Chuangzhi said that the group has sold some five million motherboards and cards and 45,000 micro-computers so far this year.

Liu said that his company, affiliated with the Computer Institute under the Chinese Academy of Sciences, has become one of the world's top five suppliers of motherboards and cards. This year's sales of the product represented about 10 percent of the world's total.

Hoping that total sales volume of the group will reach 1.6 billion U.S. dollars in the next six years, the president said that he is determined to make his company an internationally-competitive transnational computer giant. The company operates four research centers, 39 branches and 500 sales outlets worldwide.

To that end, the group will expand its domestic branches and agents network in the next two years so as to make the company account for some 20 percent of the domestic computer market, Liu said.

Meanwhile, the group will set up Asia's largest motherboards production base capable of producing 10 million units annually, the president said, adding that the company will double its efforts to develop applied software with an annual output valued at 15 million U.S. dollars.

He said that the group will also set up a chip development center to strive for major breakthroughs in the area.

Efforts will also be made to diversify the company's operations to include telecommunications, instruments and meters and information services.

Country Busy on Winter Water Conservancy

*OW0812053094 Beijing XINHUA in English 0441
GMT 8 Dec 94*

[FBIS Transcribed Text] Beijing, December 8 (XINHUA)—Having been taught a lesson in past summers, China has been engaged in water conservancy and soil improvement since the weather turned wintry.

So far, China has put about 7.22 billion yuan in water conservancy construction projects, including 3.83 billion from the public.

According to China's Water Resources Ministry, the country planned to increase investment in water conservancy this winter and next spring, with a total of 16 billion yuan to be put into it.

Since late autumn of this year, China has added about 337,600 ha of irrigated land and improved 2.33 million ha of low-output arable land. It has also provided drinking water for 5.42 million people and four million head of livestock. There are also 720 newly-constructed township water supply projects.

A total of 12 Chinese provinces have formulated regulations for ensuring stable input of funds in water conservancy construction. The northern Chinese province of Hebei and the southern one of Guangdong have stipulated that the increase rate in investment in water conservancy cannot be lower than that in provincial revenue.

North China's Shanxi Province, the capital city of Beijing, central China's Henan Province, and east China's Shandong Province have decided to set up special development funds for irrigation and farmland improvement.

Consumer Magazine To Start Publication

HK0812062094 Beijing GUANGMING RIBAO in Chinese 21 Nov 94 p 4

[Unattributed report: "The Magazine ZHONGGUO XIAOFEIZHE Will Start Publication"]

[FBIS Translated Text] The magazine ZHONGGUO XIAOFEIZHE [CHINA CONSUMERS; 0022 0948 3194 6316 5074], run by the China Consumers' Association, will officially begin publication in 1995.

Until further notice, the nationwide publication, which will serve vast numbers of consumers, will be distributed in post offices once every two months beginning with the January issue. ZHONGGUO XIAOFEIZHE will strive to be authoritative, practical, and informative, to protect the rights and interests of consumers, and to serve as a good shopping guide. The magazine will include columns such as Questions and Answers on Legal Matters, Examples of Achieving Success in Accordance With the Law, Product Comparisons, A Reminder to You, Funny Consumer Tales, Shopping Guide, News From Beyond the Border, and Foreign Consumer Protection.

According to the China Consumers' Association, ZHONGGUO XIAOFEIZHE will act as the consumer spokesman, will serve consumers, will assess consumer trends, and will convey the market situation. It will also be indispensable for producers and managers who study and pay attention to market operations and sales.

Article Criticizes Monetarist 'Fairy Tale'

HK0712150994 Beijing JINGJI CANKAO BAO in Chinese 30 Nov 94 p 1

[Article by Yang Jisheng (2799 4949 4939): "The Fairy Tale of Erhard"]

[FBIS Translated Text] Fairy tales are for children. To make children understand and love to hear fairy tales, two points must be achieved: first, it must be idealistic and should not be too realistic; and second, the plot should be simple, without too many side issues.

In our economic propaganda, things tainted with fairy tales are often spread, and the most famous should be Erhard's fairy tales.

Ludwig Erhard was a German. He was in charge of West Germany's economic work after World War II, and was the pioneer of West Germany's "economic miracle" recovery from wartime devastation; thus it was called the "Erhard miracle." Obviously, there are many precious experiences to draw from this. Nevertheless, in summarizing these experiences, good people call it goodness, shrewd people call it shrewdness—it all depends upon the point of view. The monetarist school generalized these experiences in the following statement: Take control of money, lift price controls. In that statement, controlling money is the condition and lifting price controls is the goal. In a market economy, without free prices, there would be no competition mechanism to speak of. Such being the case, controls over prices must be lifted. In the course of lifting price controls, in order to prevent inflation, it is necessary to control money. If the money supply is not excessive, inflation is unlikely to occur when price controls are lifted.

This is rational logic, and very convincing at that. Many people are conquered by this wonderful theory. We say it is a fairy tale, first, because it is excessively idealistic, with many of the actual conditions of Erhard's time no longer there and without considering the conditions for implementing Erhard's experiences. I used to believe in it, but later I studied Russia's reform, and I have pondered China's reform over the past few years. Then I came to see that "taking control of money and lifting price controls" is a fairy tale which deviates from reality.

First, such a theoretical generalization does not fully coincide with the actual conditions in Germany at that time. Many past publications said that Erhard "completely changed the German situation overnight"; actually, it was not that simple. Take lifting price controls for instance, as this was a rather long process. Professor Yang Peixin, the economist, made a special trip to West Germany to investigate this issue. The actual situation was that in 1948, only price controls over industrial consumer goods were lifted, and a food rationing system continued until 1951. At that time, because of shortages of steel, coal, oil, and power, price controls on these were not lifted until 1956, when joint operations in coal and steel production brought about a huge increase in gross output. Controls over housing were only abolished in the 1980's, when every household had an apartment. Even today, Germany continues to implement government and EC subsidies on foodstuffs prices, and price controls over post and telecommunications services and public transport tariffs remain in the form of government subsidies.

Second, in lifting price controls, it is very difficult to take control of money. Russia's "shock therapy" was precisely the practice of "lifting price controls, taking control of money." They really wanted to take control of money (by tightening the money supply.) However, as soon as the money supply was tightened, enterprises found making payments between themselves very difficult, with multiple debt chains surfacing; then some enterprises failed to pay wages. Under such circumstances, the call for the government to support enterprises was loud. The government had to relax the money supply under great pressure. Consequently, huge loans flowed into enterprises with low economic returns, and the volume of currency circulating in society ballooned along with rocketing prices. In the wake of inflation, to ensure social stability, social subsidies of various types increased, along with a rising financial deficit. To fill the deficit, banks had to issue more currencies. And with inflation, wages must be readjusted, thus involving increase the issuance of currencies; in turn, wages and prices rose in rotation.

In the transition from a planned economy to a market economy, the issuance of currencies is more often than not the result of "pressure" from the bottom up, which can be very powerful and irresistible at that. Trying to keep the note-issuing door closed is like sitting on the mouth of a volcano.

Third, in lifting price controls, who will compensate for the price gap? A state which implements unified control over prices in the long term has accumulated a huge inflation factor. As soon as price controls are lifted, suppressed inflation has to be released, and this leads to universal price rises. Hidden inflation accumulated over long period is debt in arrears and must be paid. In other words, the tremendous price gap must be compensated for. But who will compensate? There are three possible ways: compensation by the rich, all currency holders in society, or the government, or it can be a mixture of all three. In those days, West Germany basically relied on the rich. When monetary reform was implemented, 100 old marks could be exchanged for only six new marks. The other 94 marks were confiscated. This way, whoever owned more old marks the greater the sum confiscated, and the richer one was the greater the loss. A case where a government has paid compensation with its own money is unheard of. Basically, Russia made the compensation through currency holders throughout society; in other words, the government did not deprive the rich of their wealth, nor did it touch its coffers. All it did was lift price controls and let inflation take its own course; consequently, all currency holders in society suffered losses. "Inflation is the plunder of currency holders." Of course, the greater the amount of currencies one holds, the larger the volume one will be deprived of. China has adopted gradual relaxation; lifting price controls step by step is actually digesting the old historical accounts by and by. Price controls have been lifted somewhat, but a further lifting of price controls will have to wait until the

people's income increases. In this way, the scale of price rises will always be lower than that of people's income.

Not resolving compensation of historical accounts fails to guarantee social stability in lifting price controls. The "Erhard fairy tale" has simplified this important issue.

Fourth, will lifting price controls invariably help to build a market competition mechanism? The "Erhard fairy tale" does not answer this question. There is a prerequisite for relying on the price mechanism to realize automatic economic regulation: Enterprise must be genuine. Only when enterprises have genuinely implemented solo operations and assumed sole responsibility for profits and losses will it be possible for them to receive price signals. The actual condition is that in the course of conversion from a planned economy to a market economy, such a prerequisite does not exist. If price controls are lifted under such conditions, this would not help to build a market competition mechanism, but would result in all sorts of confusion. Do free prices precede free enterprises, or vice versa? The correct answer is that neither can achieve their goal in one step; the two make gradual progress in turn. It is impossible for us to let enterprises operate on their own and assume sole responsibility for their profits and loss, nor is it possible to realize free prices overnight.

The simple generalization of "taking control of money, lifting price controls" may do well in classrooms to give students some idea about economics, but I am afraid it will not do should it be put into practice in guiding reform. Theoretically, it is not too difficult to justify one's view, but it is far more complicated to resolve practical issues. In doing anything, we must seek truth

from facts and proceed from reality. Only then will it be possible to find solutions to problems.

RENMIN RIBAO on Quickening Pace of Grain Purchases

*OW0812054294 Beijing XINHUA in English 0501
GMT 8 Dec 94*

[FBIS Transcribed Text] Beijing, December 8 (XINHUA)—China has fulfilled the greater part of its grain purchases plan, obtaining 64.16 million tons or 72.1 percent of its fixed quota, according to the "PEOPLE'S DAILY" [RENMIN RIBAO] today.

This amounts to 6.384 million tons more than for the same period last year, according to the latest statistics released from the State Grain Reserve Administration (SGRA).

Of the total amounts of grain purchased, it has bought 40.4 million tons of grain ordered from farmers, which is 80.8 percent of the fixed quota, and 4.42 million tons more than last year.

Edible oil purchased, however, was down 48,000 tons, or 3.8 percent, from last year's purchases, amounting to 1.197 million tons.

A senior official attributed the pace in purchasing grain to the rise in the purchase price, more funds to pay the farmers immediately, and tightened controls on the grain market.

Bai Meiqing, director of the SGRA and vice-minister of internal trade, also called for cooperation in fulfilling the quota within the allotted time frame, and for local departments responsible for grain purchases to work in compliance with the prices set by the state.

East Region

Anhui's Anqing Embraces Development Opportunity

OW0712154094 Beijing XINHUA in English 1504
GMT 7 Dec 94

[FBIS Transcribed Text] Hefei, December 7 (XINHUA)—The city of Anqing, known as a cradle of China's modern industry, has embraced an opportunity for development after a century of obscurity.

In the mid-nineteenth century the country's first steam engine and motor-driven boat were made in Anqing, in eastern China's Anhui Province.

But the port city beside the Chang Jiang River languished for the next 100 years.

Today, as China is pushing its opening policy from coastal regions to provinces along the Yangtze, Anqing has seized the moment.

According to Zhou Gongshun, mayor of the city, the construction of transportation facilities comes top of the agenda.

Sailing along the "golden waterway"—the Chang Jiang River—6,000-dwt [deadweight ton] cargo ships and 10,000-dwt oil tankers can reach the Anqing Port. Shipping routes link the city to Japan, Hong Kong, Russia and Southeast Asian countries.

A plan to open the inland river port to foreign ships is on the drawing board.

A bridge over the Chang Jiang here is planned, which is expected to be able to accommodate 10,000 vehicles a day when completed. At present, cars and lorries have to use ferries.

A north-south railway line linking Anhui and the neighboring province of Jiangxi went into operation this summer, passing through Anqing. The new railway will help to speed the development of the local economy.

Zhou said that, compared with the booming coastal areas, inland cities like Anqing have the advantage of lower costs and long-term gains from primary industries.

The city has set up 150 joint ventures, attracting direct foreign investment totalling seven million U.S. dollars.

Six years ago the number of foreign-funded enterprises was only eight.

The pillar industries in Anqing are petrochemicals, light industry, textiles, machinery, electronics and building materials. New industrial sectors include automobiles, color TVs, air-conditioners and numerical-control machine tools.

A economic and technological development zone has taken shape in the city after two years of construction.

More than 60 enterprises ha been set up in the zone, including Taiwan-funded businesses.

Resources Research Center Set Up in Nanjing

OW0712135194 Beijing XINHUA in English 1334
GMT 7 Dec 94

[FBIS Transcribed Text] Nanjing, December 7 (XINHUA)—The East China Center of Environment and Sustainable Development Studies has been set up in this capital of east China's Jiangsu Province.

The center is jointly sponsored by the Nanjing branch of the Chinese Academy of Sciences, Nanjing University and Hehai University.

The center has about 2,500 personnel doing research into resources, environment, society and economics, including 15 academicians, 94 doctorate tutors and 300 professors and research fellows.

It is also the home of six state laboratories, three open laboratories of the Chinese Academy of Sciences and five field ecological experiment stations.

The center intends to be a top institute working on China's resources and sustainable development, and cultivating senior scientific and managerial personnel for the next century.

Though the most economically advanced part of the country, east China suffers from ecological deterioration and shortage of natural resources.

In the near future, the center will focus its research on the relations among population, resources, environment and development.

It will also probe ways to curb pollution and reduce natural disasters.

Industrial Corridor Contributes to Jiangxi Economy

OW0812060694 Beijing XINHUA in English 0508
GMT 8 Dec 94

[FBIS Transcribed Text] Nanchang, December 8 (XINHUA)—An industrial corridor, three years in the making, has taken shape in Jiangxi, adding new hope to the economic development of this inland province.

Starting in Nanchang, the provincial capital, and ending in Jiujiang city on the Chang Jiang river, the Nanchang-Jiujiang industrial corridor, is more than 100 kilometers in length and contains more than 30 newly-industrialized townships and eight economic and technical development zones at the provincial level.

The construction drive itself has given the corridor a three-tiered water, land, and air transportation network and a modern telecommunications network, linking the province with the rest of China and the world.

The corridor's basic industries—automobiles, petrochemicals, and textiles—together with fast growth in the medical and food industries, have provided an annual growth rate of 30 to 40 percent in industrial output since 1992.

The province has approved the establishment of over 1,500 businesses involving overseas investment in the area, with promised investment topping 1.2 billion U.S. dollars and actual investment amounting to 300 million U.S. dollars.

Provincial authorities attributed the rapid development to the central government's decision to open up the regions along the Chang Jiang river and to the local enthusiasm for construction.

Shandong Standing Committee Meeting Ends

SK0812010894 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 6 Dec 94

[FBIS Translated Text] After successfully fulfilling all items on the agenda, the 11th Standing Committee meeting of the eighth provincial people's congress ended in Jinan on the morning of 6 December. Wang Shufang, vice chairman of the provincial people's congress Standing Committee, presided over the plenary meeting.

The meeting by-elected (Lu Xinwen) as deputy of the National People's Congress, then adopted the decision of the Shandong Provincial People's Congress Standing Committee on convening the third session of the eighth provincial people's congress.

The meeting decided to hold the third session of the Eighth Shandong Provincial People's Congress in Jinan on 18 February 1995. The meeting also adopted the decision on accepting the resignation of Cui Bo as a member of the Eighth Shandong Provincial People's Congress Standing Committee; the decision on issuing a permit to arrest (Du Chuanqi), deputy of the eighth provincial people's congress; the report of the Urban and Rural Construction and Environmental Protection Committee of the provincial people's congress on the results of discussion of the No. 5 and No. 22 motions submitted by the presidium of the second session of the eighth provincial people's congress on harnessing Xiao Qing He; the method of Shandong Province for implementing the PRC's Product Quality Law; the Shandong Provincial regulations on agricultural machinery management; and the Shandong provincial provisional regulations on television management.

Li Zhen, chairman of the provincial people's congress Standing Committee, and Ma Zhongcai, Miao Fenglin, Guo Songnian, Xu Jianchun, Ma Shizhong, Guo Changcui, Yan Qingqing, Ma Xutao, and Ma Xuemeng, vice chairmen of the provincial people's congress Standing Committee, attended the meeting. Song Fatang, vice provincial governor; Yu Peigao, president of the provincial Higher People's Court; and responsible

comrades of the provincial People's Procuratorate, attended the meeting as observers.

Shanghai Forms Foreign Trade Company

HK0712043494 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0719 GMT 22 Nov 94

[FBIS Translated Text] Shanghai, 22 Nov (ZHONGGUO TONGXUN SHE)—Shanghai has made much headway in foreign trade structural reform. It has established the Dongfang International Holdings Company, the first comprehensive foreign trade company in China. This holdings company comprises five import and export companies specialized in silk, fashion, textile, and knitting, with a pooled capital of more than 1 billion yuan. It started operating in Shanghai days ago.

The Dongfang International Holdings Company mainly deals in trade. Its initial idea is to form a group in five to 10 years by three stages. The first stage is designing the framework, laying the foundation, forming combination, integrating the assets, building a company with limited liability, and allocating the capital in a unified way. The second stage is applying for the transformation of the group into a shareholding company with stock listing.

Zhejiang Nuclear Plant Successfully Replaces Fuel

HK0812063094 Beijing ZHONGGUO XINWEN SHE in Chinese 0341 GMT 6 Dec 94

[FBIS Translated Text] Hangzhou 6 Dec (ZHONGGUO XINWEN SHE)—After experiencing safe operations for more than two years, Zhejiang Qinshan Nuclear Power Plant replaced its fuel for the first time as part of planned maintenance on 21 October. On 17 November, it successfully removed 121 groups of fuel rods from the nuclear reactor core.

According to a ZHONGGUO HE GONGYE BAO [CHINA NUCLEAR INDUSTRY GAZETTE 0022 0948 2702 1562 2814 1032] report, the recent fuel replacement was conducted after Qinshan Nuclear Power Plant had fulfilled the task of generating 1.779 billion kw in a comprehensive way this year, for an accumulated volume of 4.0445 billion kw.

The planned maintenance required Qinshan Nuclear Power Plant to replace the fuel rods in the reactor core, which contained uranium with a 2.4 percent concentration. With the common efforts of fuel loading and unloading operators, the time it took to unload each group of fuel rods was up to the level of the advanced nations.

This success in unloading fuel for the first time has fully demonstrated the fact that China has the ability to operate and maintain nuclear power plants. The 121 groups of fuel rods replaced were in perfect condition and had no flaws, which demonstrates the high quality of the fuel rods in the reactor core, which were researched

and manufactured by China on its own. The results of their use have been satisfactory and have given us very valuable experiences related to fuel replacement at nuclear power plants in China.

Central-South Region

Five Reported Missing in Pearl River Ferry Collision

HK0812043094 Hong Kong AFP in English 0413 GMT
8 Dec 94

[FBIS Transcribed Text] Hong Kong, Dec 8 (AFP)—Five people were reported missing Thursday when two ferries collided at the estuary of the Pearl River about two miles (1.24 kilometers) off Hong Kong, a marine spokesman said.

One of the catamarans, which was on its way to Zhongshan in southern China's Guangdong province from Shekou in the special economic of Shenzhen, sank immediately after the collision, he said.

Most of the eight crew and 67 passengers were rescued in joint efforts between Chinese and Hong Kong marines.

The fate of the crew and passengers of the other catamaran, which was on its way to Hong Kong from Taiping in China, was not immediately known.

Rescue and search operations were underway.

Trial Testing Ends on Guangzhou Storage Power Station

OW0812054494 Beijing XINHUA in English 0447
GMT 8 Dec 94

[FBIS Transcribed Text] Guangzhou, December 8 (XINHUA)—More than eight months of tests have shown that the Guangzhou water pumping and hydropower station, in south China's Guangdong Province, is running well.

The first-phase of the station, which consists of four 300,000-kW generating units, was completed in March this year. The units had been undergoing trial operations before being put into full operation December 1.

The project was started four years ago, and the first generating unit began operation in June last year.

The purpose of the station is to adjust peak and trough currents in the Guangdong and Hong Kong electric power networks and to ensure the successful operation at full load of the Daya Bay nuclear plant.

The 1.2-million-kW second phase of the hydropower station is now under construction.

Report on Shenzhen Economic Growth in '94

OW0812012994 Beijing XINHUA in English 0046
GMT 8 Dec 94

[FBIS Transcribed Text] Shenzhen, December 8 (XINHUA)—South China's boom city of Shenzhen has

reported a sustained, marked growth in gross product this year, according to a recent report released by the local government.

According to the report, the city's gross product this year is expected to jump to 56 billion yuan-worth, a 27.9 percent rise from the last year.

The report shows that the Shenzhen's total industrial output value will reach 63.8 billion yuan this year, an increase of 30.7 percent; exports in the first ten months of 1994 totaled 13.848 billion U.S. dollars-worth, a rise of 26.6 percent from the same period of last year; and the actual use of foreign investment topped 1.295 billion U.S. dollars, up 59.2 percent.

Officials of the city government attributed the fast growth to the development of the city's high-tech industry and the sharp increase in export-oriented production.

According to them, the city will see an estimated overall output value of 13 billion yuan for high-tech products this year, more than double its industrial output value plus profits and taxes.

The city's exports rose from quarter to quarter this year, with an increase of 14.2 percent in the first quarter, 32.5 in the second and 39.4 percent in the third.

The fast growth also followed a reform of the tax system, which help boost the revenue of both the central and local governments, the officials said.

The total tax income of industry and commerce in the city in the first ten months of 1994 hit 7.795 billion yuan, 70 percent up from the same period of last year, with a revenue increase of 77.67 percent for the central government, 12.8 percentage points higher than the figure for the local government.

Meanwhile, the industrial output value of Shenzhen's state-owned enterprises in the four-month period from July to October increased by 30.1 percent from the same period of 1993.

Guangxi Strengthens Legislation on Minorities

OW0712162894 Beijing XINHUA in English 1538
GMT 7 Dec 94

[FBIS Transcribed Text] Nanning, December 7 (XINHUA)—All the 12 ethnic-minority autonomous counties in south China's Guangxi Zhuang Autonomous Region have promulgated regulations on the exercise of autonomy.

These regulations define the autonomy of these counties and protect the legitimate rights and interests of minority peoples, thus winning support from all ethnic groups in the region.

Of the 82 counties in Guangxi, 12 are inhabited by minority nationalities. These counties have a total population of four million including people of the Yao,

Miao, and Dong nationalities, making up ten percent of the total population of Guangxi. The 12 autonomous counties have long been among the poorest in the region because of slow social and economic development.

The new regulations place the emphasis on the development of local economy, exploitation of natural resources and readjustment of product mix in a bid to ensure all-round development in agriculture, forestry and rural industry.

As a result, the gross product of the 12 autonomous counties surged from two billion yuan in 1988 to the present 4.3 billion yuan. And the per capita GDP has risen by 106 percent.

Meanwhile, all the 12 autonomous counties have built their own primary schools, bringing the attendance rate of local school-age children to 95 percent in 1993. About 12 vocational schools have also been opened in these counties.

In line with the regulations, a great number of ethnic minority officials have been trained in recent years. To date, the number of ethnic officials in these counties have increased by 20 percent to 50,000.

Hainan Official Denies Plans for 'Chinese Hawaii'

*OW0812060594 Beijing XINHUA in English 0454
GMT 8 Dec 94*

[FBIS Transcribed Text] Beijing, December 8 (XINHUA)—There is no plan to develop the southernmost city of Sanya into a Chinese Hawaii, it was announced here today.

Domestic media here have repeatedly discussed that the city, on China's second largest island of Hainan and with one of the world's top rate bathing beaches, will soon become a second Hawaii according to an alleged construction plan.

The plan required big numbers of recreational facilities be built and the city be turned into a mere tourist spot.

But Zhao Linru, deputy mayor of Sanya, addressed a press conference that her government has not made such a simple decision.

"Besides tourism, we will focus on the development of high-tech. And this will make the city different from Hawaii."

Sited in Hainan Province, one of the special economic zones in the South China Sea, Sanya's tropical scenery and sunny beach attract one million tourists averagely every year.

But in recent years, more investors have shown interest in building oil firms, airports, electronic companies and fish processing factories.

Nearby the city, Zhao mentioned, there are abundant oil and natural gas reserves under the sea, together with abundant tropical plants and sea food which can be further processed.

Moreover, she hints that the city can go in for developing modern industry, tropical agriculture and fishery besides Hawaii-like tourism.

Hainan Upgrades Administration of Ports

*OW0812102294 Beijing XINHUA in English 0958
GMT 8 Dec 94*

[FBIS Transcribed Text] Haikou, December 8 (XINHUA)—Ports in Hainan, south China's island province, have turned in a good profit in the first nine months of this year, thanks to the efforts to separate governmental functions from those of enterprises.

In January this year, the province removed its port administrative offices, making them independent economic entities that assume the sole responsibility for profits and losses.

While most of the country's ports have been in a sluggish situation this year, the ports in Hainan seemed very brisk.

The Haikou Port Group Corporation, for example, invested more than five million yuan to upgrade its docks and open new navigation channels linking with the north sea ferry in southwest China's Guangxi Zhuang Autonomous Region, thus increasing the throughput capacity by 5.27 million tons and realizing a profit of 46.88 million yuan during the nine-month period.

Haikou's Foreign Funded Projects 'Going Smoothly'

*OW0712105094 Beijing XINHUA in English 0707
GMT 7 Dec 94*

[FBIS Transcribed Text] Haikou, December 7 (XINHUA)—Construction of fifteen key projects involving foreign funds and domestic cooperation in this capital of south China's island province is going smoothly.

Total investment in these projects is worth 216 million U.S. dollars and 3.6 billion yuan. Eleven of them are above 100 million yuan each.

Of these, six are in the industrial sector, eight for tourism or real estate, and one in the commercial field.

Thirteen of them involve foreign investment, while two are domestic-funded.

The Huandao Group in the city, for example, has jointly established a five-star hotel with its Canadian partner, with a total investment of 560 million yuan (64.4 million U.S. dollars). The hotel is now already put into trial operation.

Henan Circular Demands Curb on Price Hikes

HK0712130594 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 6 Dec 94

[FBIS Translated Text] The provincial price bureau issued a circular days ago asking city and prefectural price bureaus to strengthen management and inspection over commodity prices during the Spring Festival.

The circular says: [words indistinct] The prices of grain and cooking oil have increased by a wide margin and the market situation is still grim. To control excessive price hikes, maintain basically stable prices during the Spring Festival, stabilize the people's lives, and enable them to spend the Spring Festival happily, all levels of price departments must fully understand the harm resulting from excessive price hikes and the importance and urgency of controlling price hikes. They must implement the party Central Committee's and State Council's instructions on controlling price increases and inflation. [words indistinct] There is a need to strengthen management over the prices of daily necessities and all service charges. Management must be strengthened over the prices of grain, oil, meat, and vegetables. Violations of the price regulations and arbitrary price increases will be seriously dealt with. State-owned commercial departments and supply and marketing cooperatives must give play to their role as the main channel in controlling commodity prices. When necessary, the government will allocate financial resources for food price subsidies. The Henan Provincial People's Government No. 12 Orders, approved by Governor Ma Zhongchen on 10 November, must be conscientiously put into effect. Inspection must be carried out over whether the practice of attaching price tags to commodities remains observed. Inspection must focus on the prices of grain, oil, meat, and vegetables. Efforts must be made to examine and deal with illegal market practices such as arbitrary price hikes and pursuit of exorbitant profits.

Hubei Repairs Dangerous Reservoirs

OW0812090394 Beijing XINHUA in English 0848 GMT 8 Dec 94

[FBIS Transcribed Text] Wuhan, December 8 (XINHUA)—Central China's Hubei Province is placing emphasis on repairing and reinforcing its numerous reservoirs by removing hidden perils.

The province has allocated more funds for repairs of the reservoirs during its drive to construct irrigation and water-control systems this winter.

A total sum of 150 million yuan will be used in reinforcing dams and other projects in order to remove hidden dangers in 829 middle-sized and small reservoirs within the next five years.

In the province, there are some 5,000 reservoirs, which have played an important role for several decades in

water control and preventing frequent flooding. However, many of the reservoirs, including some key projects were built in 1960s or 1970s. According to a province-wide survey, about one third of the reservoirs in the province have been damaged to different degrees and are in need of repairs.

Wuhan Third 'Largest Securities Issuer'

HK0612152994 Beijing ZHONGGUO XINWEN SHE in English 1331 GMT 6 Dec 94

[FBIS Transcribed Text] Wuhan, December 6 (CNS)—By the end of November this year, Wuhan has issued valuable securities of various kinds worth RMB [renminbi] 14 billion, turnover of various securities totaled nearly RMB 270 billion, becoming the third largest securities issuer in China, only next to Shanghai and Shenzhen.

Recently securities business has developed rapidly in Wuhan. The City has over 160 securities broking organizations and of which, stock trading posts totals 50 in number, spreading over all parts of Wuhan and employing more than 3,000 staff. Stock trading volume by proxy there accounts for 6 percent of the daily trading volume of Shanghai and Shenzhen Stock Exchanges.

Wuhan also shares the largest trading floor for treasury bonds across the country. Turnover of treasury bonds in the Wuhan Securities Exchange Center surpassed RMB 100 billion from January to August this year, doubling that in 1993. The Center is, at the same time, the largest funds-raising market in China.

Hunan Holds Central Economic Work Meeting

HK0712130494 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 6 Dec 94

[FBIS Translated Text] Yesterday morning the Hunan Provincial CPC Committee held a meeting to relay the instructions of the economic work meeting sponsored by the CPC Central Committee and the State Council. Present at the meeting were party-member cadres from the provincial party committee, the provincial people's congress, the provincial government, the Provincial Committee of the Chinese People's Political Consultative Conference, and the provincial military district. Wang Maolin, secretary of the provincial party committee, presided over the meeting. Chen Bangzhu, deputy secretary of the provincial party committee and governor, relayed the instructions of the economic work meeting and General Secretary Jiang Zemin's speech on having a clear understanding of the situation, unifying our minds, and doing a good job in next year's economic work—an important speech delivered at the national economic work meeting. Deputy Secretary Yang Zhengwu relayed Li Peng's important speech at the national economic work meeting. Deputy Secretary Chu Bo relayed Vice Premier Zhu Rongji's summation speech at the national economic work meeting.

At the meeting Wang Maolin announced that the provincial party committee had decided to hold a provincial party committee work meeting from 15 to 18 December to conscientiously discuss Hunan's economic work for the next year.

Bus Explosion Kills 27 in Hunan

HK0812062894 Hong Kong AFP in English 0555 GMT 8 Dec 94

[FBIS Transcribed Text] Beijing, Dec 8 (AFP)—Twenty-seven people were killed when a bus carrying six sacks of gunpowder exploded, the China Youth Daily reported Thursday. There were 34 passengers in the bus when the incident occurred near Yongzhou, in Hunan Province, south China, on November 22.

The paper said the bus driver claimed the sacks contained rice.

Southwest Region

Tibet Rules on Congress Deputies' Opinions

OW0712144194 Lhasa XIZANG RIBAO in Chinese 27 Nov 94 p 1

[“Regulations on Handling Suggestions, Criticisms, and Opinions of Tibet Autonomous Regional People’s Congress Deputies (Adopted on 27 October 1994 at the 11th Meeting of the Sixth Tibet Autonomous Regional People’s Congress Standing Committee)"]

[FBIS Translated Text] Article 1. These regulations have been formulated in accordance with “The Constitution of the People’s Republic of China,” the “Law of the People’s Republic of China on the Organization of Local People’s Congresses and Local People’s Governments at All Levels,” the “Law of the People’s Republic of China on Deputies to the National People’s Congress and Local People’s Congresses at All Levels,” and the realities of Tibet, to effectively handle the autonomous regional people’s congress deputies (henceforth referred to as deputies) suggestions, criticisms, and opinions, and to ensure that deputies exercise their powers according to law and perform duties required by law.

Article 2. Relevant organs and organizations must handle deputies’ suggestions, criticisms, and opinions in a serious and responsible manner.

When handling deputies’ suggestions, criticisms, and opinions, one must take into consideration both his responsibility toward the people and the principle of persevering in seeking truth from facts, paying attention to investigation and study, and ensuring that quality work is done.

Article 3. The principle of giving centralized responsibility to specialized departments, letting each level handle matters pertaining to that level, and assigning

particular units and individuals to handle responsibilities pertaining to their levels shall apply when one handles deputies’ suggestions, criticisms, and opinions.

Article 4. Deputies may individually or jointly present their suggestions, criticisms, and opinions on work regarding the autonomous region in written form.

Deputies shall treat each suggestion, criticism, or opinion as a separate case and shall write each one down on standardized, specially printed paper.

Article 5. Deputies may put forward suggestions, criticisms, or opinions when the autonomous regional people’s congress is in session.

Motions submitted by deputies to the people’s congress shall be treated as suggestions, criticisms, or opinions, and handled according to these regulations.

Article 6. Suggestions, criticisms, opinions put forward by deputies at the autonomous regional people’s congress sessions shall be handed over by the sessions’ secretariats to relevant organs or organizations for handling.

Article 7. When the autonomous regional people’s congress is in recess, deputies may put forward suggestions, criticisms, or opinions whenever necessary. The autonomous regional people’s congress standing committee shall entrust its agencies to collect and solicit suggestions, criticisms, and opinions of deputies who work or reside in prefectures and counties.

Article 8. When the autonomous regional people’s congress is in recess, the general office of the autonomous regional people’s congress standing committee shall assign others to handle deputies’ suggestions, criticisms, and opinions. Agencies of the people’s congress standing committee shall be entrusted to assign and supervise others to handle suggestions, criticisms, and opinions that concern localities’ work.

Article 9. Regarding deputies’ suggestions, criticisms, and opinions that affect more than two units, the agencies that assign duties shall ascertain which principal and subordinate units shall handle the matter, and let the principal unit respond to the deputies.

Article 10. Units that have received deputies’ suggestions, criticisms, and opinions that involve matters outside their jurisdiction, shall explain their situation to the agencies that assign duties within 10 days of receiving relevant documents, whereupon with the agencies’ agreement, they shall return the documents to the agencies for further handling.

Article 11. The following stipulations provide details on ways to handle deputies’ suggestions, criticisms, and opinions:

(1) Whenever possible, suggestions, criticisms, and opinions put forward by deputies while the autonomous regional people’s congress is in session shall be handled

and responses given to deputies there and then. If responses cannot be given there and then, they shall be given afterwards.

(2) Units entrusted to handle the matter shall respond to suggestions, criticisms, and opinions from deputies within three months of receiving them. If they have a problem completing their tasks on time, they shall explain their situation to the deputies and units that assign them their work, and complete their tasks and respond to the deputies in less than six months.

(3) Suggestions, criticisms, and opinions whose contents are similar or that are jointly submitted by deputies can be handled together, but responses shall be given separately to each deputy.

(4) Responses to deputies' suggestions, criticisms, and opinions shall be given in both Tibetan and Han languages in a precise, concise, and sincere manner. The entrusted units shall keep a record of the responses they give.

(5) The entrusted units shall provide further response if they are requested to do so by deputies who are dissatisfied with the initial response.

(6) Copies of letters of replies to deputies who submitted their suggestions, criticisms, and opinions shall be submitted to the general office of the autonomous regional people's congress standing committee.

(7) In cases where deputies wish to retract their suggestions, criticisms, and opinions, units that assign duties shall inform the entrusted units to immediately stop handling the matters.

Article 12. The autonomous regional people's congress standing committee shall supervise and inspect the task of handling deputies' suggestions, criticisms, and opinions. Specific details pertaining to supervision and inspection shall be handled by the agencies and the general office of the people's congress standing committee.

The general office of the autonomous regional people's government's can ask others to handle, for the second time, deputies' suggestions, criticisms, and opinions if they involve departments affiliated with the government.

Article 13. The entrusted units shall promote closer contacts with deputies; use multiple means to solicit their opinions on the way they handle suggestions, criticisms, and opinions; and accept supervision and inspection by units that assign them the task.

Article 14. The general offices of the autonomous regional people's congress standing committee and the autonomous regional people's government shall, in accordance with legal proceedings, report their progress in handling deputies' suggestions, criticisms, and opinions.

Article 15. The autonomous regional people's congress standing committee may criticize the entrusted units or ask them for an explanation if it has been found that while handling deputies' suggestions, criticisms, and opinions, the entrusted units have shifted responsibility onto others; performed their duty in a perfunctory manner; made unwarranted accusations against deputies who made suggestions, criticisms, and opinions; withheld or lost documents bearing the suggestions, criticisms, and opinions; and without any reason, put off their replies or retaliate against deputies. Where the circumstances are serious, an investigation shall be conducted to affix responsibility for the crime.

Article 16. The general office of the autonomous regional people's congress standing committee shall explain specific issues pertaining to these regulations.

Article 17. These regulations shall go into force on 1 January 1995.

Collection of Tibet's Archives To Be Published

OW0712100594 Beijing XINHUA Domestic Service in Chinese 0444 GMT 7 Dec 94

[FBIS Translated Text] Beijing, 7 Dec (XINHUA)—A large-scale publication "Collection of Historical Archives of Tibet," compiled by the Tibet Autonomous Regional Archives Bureau, will soon be published by the Wenwu Publishing House.

Since the Tang Dynasty's Princess Wencheng married Tufan's Zan-pu-song-zan more than 1,000 years ago, Tibet has forged broad, solid economic and cultural ties with the hinterland. After the Yuan Dynasty's founding in the mid-13th century, Tufan was officially incorporated into the Yuan Empire's territory. Since then, for more than 700 years, Tibet, as an administrative region of China, has always been under the central government's jurisdiction. Collected in the book are over 100 precious pieces of archives from 1277 to 1956 in the Basiba, Tibetan, Chinese, Mongolian, and Man languages. As genuine historical records, the archives, most of which are priceless documents collected by the archives bureau, suffice to prove that Tibet has always been part of Chinese territory since ancient times.

The compilation of the book took several years and entailed the hard work of archivists. Many well-known experts, scholars, and the relevant administrative units offered enthusiastic assistance. The book's photo copies of original archives and their Tibetan, Chinese, and English translations are of high historical, academic, artistic, and collection values for readers at home and abroad.

Lhasa Consumers Pursue 3 New 'Big Items'

OW0612172694 Beijing XINHUA in English 1657 GMT 6 Dec 94

[FBIS Transcribed Text] Lhasa, December 6 (XINHUA)—Apartments, telephones and computers have

become the latest three "big items" popular with residents of this capital city of southwest China's Tibet Autonomous Region, a local government official said.

He said that, to date, more than 200 apartments have been sold in one municipal district alone, at a cost of 600-odd yuan per sq m. The regional government has also sold houses with a total floor area of some 1,000 sq m.

About 20 percent of the telephones newly installed in Lhasa this year were bought by individual families, the official said, adding that the number equals the total of such telephones for the past ten years.

He said that personal computers are another favorite among Lhasa residents, quoting official statistics showing that individual buyers account for 10 percent of the total sales.

North Region

Beijing Hires More Trained Rural Laborers

OW0712061794 Beijing XINHUA in English 0547
GMT 7 Dec 94

[FBIS Transcribed Text] Beijing, December 7 (XINHUA)—Thanks to efforts at speeding up the development of labor importing centers in the provinces around the country, the capital city has hired more skillful rural workers over the past two years.

To meet the needs of some special trades, the municipal labor bureau has set up 249 rural labor training centers in Hebei, Henan, Shanxi, Shandong, Sichuan, Anhui and Gansu provinces.

After receiving some short-term training in accordance with urban labor requirements at these centers, rural workers are sent to various businesses in Beijing.

So far, these training centers have sent more than 360,000 skilled workers in construction, coal mining, textiles, and general sanitation to Beijing, accounting for 75 percent of the city's outsider workers.

The bureau has also set up a number of management and registration offices for outside rural workers to help settle labor disputes between them and their employers.

Inner Mongolia Produces Nation's 1st Mail Trucks

OW0712164394 Beijing XINHUA in English 1554
GMT 7 Dec 94

[FBIS Transcribed Text] Hohhot, December 7 (XINHUA)—The No. One Machinery Factory in this capital of north China's Inner Mongolia Autonomous Region has produced the first mail trucks ever made in the country.

The first batch of 100 trucks, with a loading capacity of ten tons each, will be delivered to clients in the near future, said a factory official.

China had to import mail trucks in the past.

Shanxi CPC Committee Plenary Session

HK0812103694 Taiyuan SHANXI RIBAO in Chinese
26 Oct 94 pp 1-2

[Report by Li Chun (2621 3196) and Hu Guo (5170 2654): "The Eighth Plenary Session of the Sixth Shanxi Provincial CPC Committee Is Held in Taiyuan; the Provincial Committee's 'Opinion on the Implementation' of the Central 'Decision' Is Adopted by the Plenary Session; Provincial CPC Committee Secretary Hu Fuguo and Governor Sun Wensheng Make Important Speeches"]

[FBIS Translated Text] The Eighth Plenary Session of the Sixth Shanxi Provincial CPC Committee was held in Taiyuan from 23 to 25 October. The plenary session called on the party organizations at all levels and all communist members province-wide to conscientiously implement the spirit of the Fourth Plenary Session of the 14th CPC Central Committee; energetically strengthen party building; implement the party's basic line in an all-round way; and unite with and lead the people of the whole province in working toward greater progress in the reform, opening up, and socialist modernization of our province, toward faster economic development, and toward the realization of the strategic goal of reinvigorating Shanxi and helping its people become rich.

The topics discussed at this plenary session included the following: Studying in greater depth and implementing the spirit of the Fourth Plenary Session of the 14th CPC Central Committee; and formulating measures in light of reality for further strengthening party building in our province under the new circumstances. The plenary session discussed and adopted the "Opinion of the Shanxi Provincial CPC Committee on the Implementation of the 'Decision of the CPC Central Committee on a Number of Major Issues Concerning the Strengthening of Party Building.'"

On 25 October Liang Guoying, deputy secretary of the provincial party committee, chaired an all-member meeting of the eighth plenary session of the sixth provincial party committee, at which provincial Secretary Hu Fuguo made an important speech and Sun Wensheng, deputy provincial secretary and provincial governor, delivered a speech on economic work.

After conscientiously studying the "Decision" adopted by the Fourth Plenary Session of the 14th CPC Central Committee, the participating comrades unanimously agreed that the "Decision" is a programmatic document for strengthening party building in the new era. It is extremely valuable in building our party into a Marxist party which is equipped with the theory of building socialism with Chinese characteristics; which serves the

people wholeheartedly; which is totally steadfast ideologically, politically, and in organization; which can brave all risks; which always leads the times; and which is capable of taking on the historic mission of reform, opening up, and socialist modernization.

The plenary session pointed out that since the Third Plenary Session of the 11th CPC Central Committee, our province has done a great deal of work in party building and has achieved significant results in ideological building, organizational building, and the building of work style. The contingent of party members, party organizations at all levels, and leadership groups at all levels in our province have been good on the whole and have won the support of the broad masses. This has been a determinant condition in ensuring the smooth progress of the reform, the opening up, and the building of two civilizations in our province. Meanwhile, we should also recognize that there still exist many problems in the process of party building in our province that can not be overlooked. Though such problems are found in a minority of localities, departments, and individuals, they have had a serious impact and caused serious damage. Only by accurately identifying the main problems and where the crux lies and by taking effective measures to tackle them can we do a better job in implementing the spirit of the Fourth Plenary Session of the 14th CPC Central Committee and in strengthening the effort of party building province-wide.

The plenary session maintained that democratic centralism is the fundamental organizational system and leadership system of our party and our state, and the basic criterion for correctly standardizing political life within the party and handling intra-party relationships. Upholding democratic centralism in the leadership system of the party and the state is an inherent requirement of the development of socialist market economy. Upholding democratic centralism means we must reinforce the consciousness of organization and discipline; overcome localism, selfish departmentalism, and decentralism; and adhere to the system of the individual submitting to the organization, the minority submitting to the majority, the subordinate submitting to the superior, and the whole party submitting to the center. In particular, we must firmly safeguard the authority of the party center with Comrade Jiang Zemin as the core and, on major issues, conscientiously stay aligned with the center to ensure that government decrees from the center and party organizations at all levels are executed without obstruction. Therefore, party organizations at all levels province-wide must strengthen the education in democratic centralism and raise the political quality of the members of leadership groups, especially that of the secretaries of party committees; better adhere to the system of collective leadership and assignment of responsibilities to individuals and establish and improve a decisionmaking procedure that conforms to democratic centralism; make a good job of systemic building to ensure the implementation of democratic centralism; and, in particular, concentrate on establishing and

improving the assembly system, the leadership system, the work coordination system, and the system of democratic consultation. Party committees and discipline inspection committees at higher levels should conduct regular supervision, inspection, and guidance for the implementation of democratic centralism by party organizations at subordinate levels and take disciplinary action against any leading cadres who have undermined democratic centralism.

The plenary session maintained that the first and foremost manifestation of the rallying power and fighting capacity of our party lies in the role of grass-roots party organizations as a fighting force. It is necessary to concentrate on studying and improving the work on the building of grass-roots party organizations in the spirit of reform. Party committees at all levels must strengthen leadership and pay attention to actual accomplishments, strengthening and improving the education and management of party members. We should spend three years conducting a study campaign among all party members of the province on Deng Xiaoping's theory of building socialism with Chinese characteristics, the party Constitution, and the "Decision." We must pay special attention to the building of leadership groups of rural grass-roots party organizations and, within three years, strive to turn most of the rural grass-roots leadership groups in the province into fighting forces that lead the masses toward common prosperity. It is necessary to adapt to the needs of new circumstances; take substantial steps to improve the mode of activity of grass-roots party organizations in rural areas, enterprises, government organs, and schools; and conscientiously do a good job in the rectification of grass-roots party organizations that are lagging behind. In the coming three years, we should accomplish the task of rectifying party branches that are lagging behind in batches and local authorities concerned must make rectification plans.

The plenary session believed that cultivating and selecting leading cadres who have both ability and political integrity is a long-term strategic task. It is necessary to adopt firm and effective measures to cultivate and prepare a large number of excellent leading cadres for the economic development and other undertakings of our province. It is necessary to teach leading cadres to adopt the communist ideal; firm up their conviction regarding socialism; adhere to the aim of serving the people wholeheartedly and working for the interests of the vast majority; carry forward the spirit of hard struggle and plain living; carry forward revolutionary traditions; resolutely overcome all forms of nonproletarian ideologies, such as individualism, money worship, hedonism, formalism, liberalism, belief in maintaining good relations with all and sundry at the expense of principle, and anarchism. It is necessary to continue reforming and improving the system for selecting and appointing cadres to leadership posts; further emancipate the mind; discard such outdated concepts as the seniority system, nitpicking, and excessive accommodation; broaden the vision; search extensively for capable and meritorious

persons; boldly use outstanding young cadres; and always maintain an echelon formation in the dynamic process of new cadres replacing the old, in order that "As in the Chang Jiang the waves behind drive on those before/So the Long March is carried ever forward by relays of successors." It is necessary to uphold the criterion of possessing both ability and political integrity; pay attention to the actual performance of cadres; combat unhealthy tendencies in the appointment of cadres; establish a fine orientation of cadre appointment; truly promote the better ones and demote the less competent ones; and gradually introduce a lively and vigorous mechanism of cadre appointment that enables excellent people to get ahead.

The plenary session believed that there exist many problems in the ideology, organization, and work style of the party at present that have not been resolved in good time. An important reason for this is that the party does not administer the party [dang bu guan dang 8093 0008 4619 8093], party conduct is not strictly controlled [zhi dang bu yan 3112 8093 0008 0917], and discipline is lax. Fundamentally speaking, there is a lack of comprehensive, accurate, and profound understanding of the theory of building socialism with Chinese characteristics and the party's basic line, leading to the tendency of handling the two types of work with unequal strength. To control party conduct strictly, it is imperative to set strict demands on better ideological understanding, on positive ideological struggle, on the work against corruption and encouraging clean and honest conduct, on the execution system, and on the party's leading cadres and leadership organs. Party organizations at higher levels should set an example and lead the way for those subordinate to them. The leading cadres at all levels in the province should consider "speak the truth, do practical work, and set an example" as their motto and be strict with themselves; set an example in performing their official duties diligently and honestly; refrain from taking bribes, appointing trusted followers, going in for ostentation and extravagance, taking undeserved credit, or indulging in drinking and womanizing [jiu se 6794 5331]; and serve the people wholeheartedly by making nothing of hardships. It is necessary to implement the applicable regulations of the party Central Committee and the provincial CPC committee, start now and start by working on oneself first, and gradually help raise the standard of control of party conduct.

Provincial party Secretary Hu Fuguo made an important speech at the close of the session. His speech was in four parts: 1. Obtain a profound understanding of the spirit of the Fourth Plenary Session of the 14th CPC Central Committee and fully recognize the importance and urgency of strengthening party building under the new circumstances; 2. Highlight key tasks and conscientiously make a good job of the three tasks in organizational building; 3. Control party conduct strictly, set rigorous demands on implementation, substantially enhance the rallying power and fighting capacity of party organizations, and ensure the implementation of the

"Opinion on Implementing the 'Decision"'; 4. Push further ahead with the reform, opening up, and modernization drive in the province.

In his speech, Comrade Hu Fuguo said: Party organizations at all levels in the province must further strengthen their conscientiousness in conducting party building and take substantial steps to ensure the implementation of the various tasks set in the "Opinion on Implementing the 'Decision'" adopted by the plenary session. Leading cadres, secretaries of party committees in particular, should not only take the lead in conducting party building and consistently adhering to strict control of party conduct, but also take the lead in fulfilling the party's aims, handle affairs in accordance with the requirements of the party Constitution, observe party discipline, and maintain a high level of competence in all areas, especially in work style. It is even more important for the standing committee members and ordinary members of the provincial party committee to set a good example. The provincial party committee should be the first to create a good image, an image of reform and opening, an image of unity, an image of hard struggle and plain living, an image of close association with the masses, an image of practicality in working for the interests of the people, and an image of honesty in performing official duties. They should take the lead and set an example in speaking the truth and doing practical things; never do anything that runs counter to the party's aims and discipline; and never do anything that is a disservice to the people of Shanxi. We must be the first to work according to the requirements set by the "Opinion on Implementing the 'Decision'" on leading cadres and put them into practice.

Comrade Hu Fuguo pointed out: In strengthening party building, party committees at all levels should set their minds on comprehensive implementation of the party's basic line and the realization of the strategic goal of reinvigorating Shanxi and helping its people become rich; and quicken the pace of reform, opening up, and modernization in the whole province with a firm organizational safeguard. At present, it is necessary to promote infrastructural development steadfastly. The hope of upgrading the economy of our province to new heights lies with the effective development of such basic facilities as water control, transportation, and communications, which will form a foundation for the great cause of reinvigorating Shanxi and helping its people become rich. In the meantime, it is also necessary to make energetic efforts to run the large and medium-sized state enterprises well; unremittingly consolidate the status of agriculture as the foundation of the national economy; vigorously develop science and technology and education; strive to increase revenues; actively raise construction funds; and strive to maintain political and social stability.

Comrade Hu Fuguo said: The experience of practice over the past few years indicates that for a fairly long time to come, we must pay attention to the following

points: First, we must adhere to the principle of reform and opening up, not only emphasizing further emancipation of the mind, breaking all sorts of outmoded conventions and bad customs, and courageously blazing new trails, but also making a point of proceeding from Shanxi's reality and establishing the strategies of reform and opening up for our province and each locality. Second, we must continue to promote the pioneering spirit of hard struggle and plain living. By hard struggle and plain living we mean the courage to confront difficulties, a persistent and indomitable will, industriousness and frugality, a tenacious fighting spirit, valor in self-sacrifice, and constancy of purpose. With the political advantage of hard struggle and plain living, we will be undaunted by, and will be able to overcome, any difficulties and obstacles. Third, we must adhere to the basic principle of our work, i.e., mobilizing and relying on the masses. Leading cadres should not only mobilize and organize the masses to make contributions to the reform, opening up, and modernization, but also think of the masses at all times, maintain a strong emotional affinity with the masses, and regard working for the interests of the vast majority as the starting point as well as the ultimate aim when deliberating on various issues. Fourth, we must adhere to the working method of using typical cases to activate the work on a broader base. All localities and departments should further strengthen investigation and research and constantly push ahead with all aspects of work by using both positive and negative typical cases. Fifth, we must have a tenacious spirit of implementing decisions once they are made and implementing them well. Without a persevering and indomitable will and a fighting spirit of holding on to something and carrying it through to the very end, we would not dare to undertake any major cause and would not be able to accomplish any. Sixth, we must adhere to the strategic principle of "doing two types of work simultaneously with equal strength." This is something that concerns the overall interests of reform and development. Only by acting in accordance with this principle can we fully implement the party's basic line and push ahead with the comprehensive development of reform, opening up, and modernization. Party organizations at all levels and in all departments should conscientiously sum up their positive and negative experiences in doing the two types of work, keep improving their competence in doing the two types of work, and help promote the reform, opening up, and modernization of our province in an all-round way.

In his speech, Comrade Hu Fuguo said: The party organizations at all levels in the province should, by implementing the spirit of the Fourth Plenary Session of the 14th CPC Central Committee, take substantial measures to strengthen and improve party building; upgrade party building in the whole province to new heights; enhance enthusiasm and build up confidence; and unite with and lead the broad masses toward the strategic goal of reinvigorating Shanxi and helping its people become rich.

Sun Wensheng, deputy secretary of the provincial party committee and provincial governor, delivered before this session a speech entitled "With the Spirit of the Fourth Plenary Session of the 14th CPC Central Committee as a Guideline, Strive To Accomplish This Year's Economic Tasks." In his speech, he reported the current economic situation of our province and analyzed the difficulties and problems we are facing. He demanded that the work in the remaining two months be stepped up and be well-conducted, which mainly means striving to fulfill the targets of industrial production; making vigorous efforts in revenue and tax-related work; stabilizing commodity prices and curbing inflation; making good arrangements for the livelihood of the public; doing a good job in agricultural work and the purchase of grain and cotton; and making good preparations for economic and other undertakings next year. He called on all departments at all levels in the province to work with one mind; strengthen party leadership; center around economic construction as the focus; and do two types of work in unity through reform, opening up, and painstaking pioneering work, by relying on good leadership groups at each level, and by relying on the general public, with a view to opening up a new prospect in our province's economic construction.

Members and alternate members of the provincial party committee attended the session. The following people attended as nonvoting delegates: Party members in charge of the provincial people's congress, the provincial government, and the provincial committee of the Chinese People's Political Consultative Conference, who are not members or alternate members of the provincial party committee; members of the provincial discipline inspection commission and secretaries of prefectural and city discipline inspection commissions who are not members of the provincial discipline inspection commission; secretaries of prefectural and city party committees, commissioners, mayors, and secretaries of all county (district) party committees who are not members or alternate members of the provincial party committee; persons in charge of all departments directly subordinate to the provincial government who are not members or alternate members of the provincial party committee; secretaries of the party committees of extra-large and large enterprises; secretaries of the party committees of full-time general degree-awarding institutions of higher learning; and persons in charge of some large nonprofit institutions.

Sea Water Around Tianjin Declared Clean
*OW0812104194 Beijing XINHUA in English 1021
GMT 8 Dec 94*

[FBIS Transcribed Text] Tianjin, December 8 (XINHUA)—Protection measures have successfully put the once severe water pollution in the sea around north China's port city of Tianjin under control.

A survey has shown that, except for areas at the mouth of the Hai River, 80 percent of the sea water under the administration of Tianjin has attained clean water standards.

Located on the Bay of Bohai, Tianjin administers 2,386 square kilometers of sea water, from a coast line of 153 kilometers.

Each year, an estimated two billion tons of surface runoff, including industrial and public waste water from the metropolis, as well as neighbouring Beijing and Hebei Province, pour into the surrounding sea, constituting a major source of pollution. This is exacerbated by offshore oil and ocean shipping.

Survey results in early 1980s showed that Bohai Bay was severely polluted, especially in inshore areas. This caused the Tianjin municipal government to intensify cleanup efforts.

A maritime environmental protection office was set up in 1984, helping establish a monitoring network for the purpose.

A series of laws concerning environmental protection were also enacted, providing a basis for checks on the pollution and punishment of offenders.

In addition, the city has built a number of waste water recycling plants, enabling the processing of over 50 percent of the city's waste water. Thirty seven previous heavy metal polluters also reached drainage standards after waste had been recycled.

In the industrial restructuring, over 300 electroplate plants, also a major source of pollution, were closed, further alleviating the headache.

Surveys on the ecology of the Bohai area conducted by Tianjin experts in recent years have led to the implementation of the law on sea pollution and its changes.

Northeast Region

Heilongjiang TB Diagnosis Project Completed

SK0812022394 Harbin HEILONGJIANG RIBAO in Chinese 27 Nov 94 p 4

[FBIS Translated Text] A few days ago in Anda, the research project for examining and diagnosing "patients suffering from infectious tuberculosis [TB]" passed the acceptance test of the WHO and the National Tuberculosis Control Center of the Ministry of Public Health.

Since 1992, when our province started to carry out China's tuberculosis control project with World Bank loans, Anda has been chosen as one of the counties and cities enjoying financial support. Tuberculosis patients in this city have enjoyed free medical treatment. This research project was finished following 87 days of implementation from 28 July this year.

Thanks to the arduous efforts made by public health and epidemic prevention workers over the past 69 days, 4,545 questionable first visitors were accepted; chest perspectives were given to 4,434 persons; 846 X-rays were taken; 4,228 sputum smear tests were given to 1,424 persons; and tests of sputum culture in 1,346 tubes were given to 673 persons. While concentratively recommending the project, 364 patients suffering from active tuberculosis were diagnosed.

This scientific research project has provided reliable data and theoretical basis for selecting the most definite method of examining and diagnosing infectious tuberculosis.

Jilin Secretary on Educational Work

SK0612140194 Changchun JILIN RIBAO in Chinese 22 Nov 94 pp 1, 6

[By reporter Yu Shui (0060 3055): "The Provincial Educational Work Conference Opens in Changchun"]

[FBIS Translated Text] The provincial educational work conference held by the provincial party committee and the provincial government opened at Nanhu Guesthouse this morning. This conference is primarily devoted to further implementing the guidelines of the national educational work conference, making comprehensive arrangement and mobilization for implementing the "National Program for Educational Reform and Development," and researching and settling the major issues concerning the province's educational reform and development.

Zhang Yueqi, deputy secretary of the provincial party committee, presided over the conference held this morning.

He Zhukang, secretary of the provincial party committee, delivered an important speech at the conference.

He said: The province's educational work has witnessed great results, and the entire situation has been good. Over recent years, under the correct leadership of the CPC Central Committee and the State Council, through the assiduous efforts of party committees and governments at all levels as well as the vast numbers of educational workers, educational work has greatly contributed to improving the quality of the people of all nationalities in the province, to promoting reform and opening up, and to accelerating economic development and social progress. On behalf of the provincial party committee and the provincial government, He Zhukang expressed his lofty respects to the vast numbers of teachers and educational workers on the educational front and expressed his heartfelt thanks to the personalities of various circles who have shown concern for and given support to educational work!

He Zhukang emphatically dwelt on three issues.

1. We should enhance our understanding and further implement the strategy of giving priority to the development of education.

He pointed out: Last year, the sixth provincial party congress defined the development strategy of building a developed border coastal province. This year, the third plenary session of the sixth provincial party committee adopted in principle the "Outlines of the Overall Strategy on Building a Developed Border Coastal Province." The conspicuous feature of this strategy is to practice multi-directional opening by using the province's geological advantage of being a border and coastal province and the opportunity of jointly developing Tumenjiang area by several countries, and to accelerate the establishment of the socialist market economic system, with the multidirectional opening as the forerunner, with a view to making the province rapidly join the ranks of the developed provinces in terms of economic construction and social progress. A fundamental content of this strategy is to invigorate the province by relying on scientific and technological progress and on the better quality of laborers. A developed border coastal province should be a strong scientific, technological, and educational province first. To build a developed border coastal province, it is necessary to give full play to the role of education in backing, guiding, and elevating the economy. To build a developed border coastal province, we should not only put economic construction but also education in the first place. This requires us to further firmly embrace the concept of regarding education as the foundation of economic and social development, the concept of developing education in an appropriately advanced manner, and the concept of respecting teachers and valuing education in order to actually unite our ideas and actions with the strategy of giving priority to the development of education. The provincial party committee demanded that all levels of party committees and governments and all levels of cadres and educational workers in the province should profoundly understand Comrade Deng Xiaoping's idea on education in line with the province's reality in building spiritual and material civilizations, should conscientiously study and implement the guidelines of Comrade Jiang Zemin's speech on truly putting education in the strategic position of being developed on a priority basis, should attach high importance to education and vigorously promote the educational reform and development with the sense of mission and the sense of urgency of being highly responsible for the party, for the people, and for the historical destiny of socialism, and should truly put in place, in the fields of understanding, investment, and work, the strategy of giving priority to the development of education. He said: In implementing the strategy of developing education on a priority basis, the key is to bear "priority" in mind when considering issues and arranging work. First, when formulating the general plan for economic and social development and arranging annual plan, we should first consider giving priority to educational development. Second, when arranging local financial budget, we

should, first of all, ensure the necessary growth of education funds. Third, when planning for urban construction and drawing up annual capital construction plan, we should give first consideration to the layout of school construction and ensure the land and capital construction for schools. Fourth, when improving urban and rural living standards and raising the wages of staff members and workers, we should give priority to raising teachers' wages and improving their housing conditions. Fifth, when recruiting students and arranging jobs for graduates, we should first satisfy the needs of teachers' training schools and make continuous efforts to consolidate and strengthen the contingents of teachers. Party committees and governments at all levels in the province should supervise and inspect grass-roots education work in line with these demands.

2. We should accelerate educational reform and development in line with the demand for gearing education to the modernization drive, the world, and the future.

He Zhukang pointed out: We should adhere to the correct orientation for running schools and serve the socialist modernization drive and the improvement of the quality of our nation. We should conscientiously implement the "several opinions of the CPC Central Committee on further strengthening and improving the moral education of schools" and the "outlines of the education in patriotism" and should make continuous efforts to intensify and improve schools' ideological and political work and political course to counter the new conditions and new problems emerging in the process of reform, opening up, and modernization drive. We should adjust and optimize the educational structure and take the initiative in making education more compatible with Jilin's economic construction and social development. With regard to systems, we should gradually establish a pattern in which the government performs the major role in developing schools while all walks of life raise funds for education. In restructuring the entire education, we should take the nine-year compulsory education as the foundation, greatly develop vocational education and adult education while continuing to make ordinary senior high schools successful and upgrading the quality and level of the regular courses of the schools of higher learning, and appropriately develop specialized and vocational education of higher learning. We should strive to raise the quality of teaching and the efficiency in running schools chiefly by upgrading technology and management. Universities should emphasize improvement of the educational quality in their regular courses and should focus their attention to educational work on training students to become more compatible with the socialist modernization drive. To comply with the trends in scientific and technological development and the demand for development, we should further restructure specialties, reform curricula, optimize the establishment of courses, increase and intensify the courses and curricula urgently needed in the market economy, and improve teaching methods. Education and scientific research activities should be geared more to the major

battlefield of economic construction and should be integrated with the economy more rapidly so that more scientific and technological achievements can be turned into real productive forces.

3. We should conscientiously strengthen leadership over educational work to ensure that education is developed on a priority basis.

He Zhukang emphasized: We should intensify the building of school party organizations and give full play to their role as a political core and their role in exercising supervision and providing guarantee. Party organizations of schools at all levels and of all categories should realistically intensify efforts to improve themselves in line with the decision of the fourth plenary session of the party Central Committee in order to enhance their unity and combat strength. We should emphasize the building of the leading bodies of school party organizations and, at the same time, pay attention to the selection of school principals and the establishment of administrative bodies. Party organizations should carry out the activities centering on the reform and development of schools, continuously improve the content of their activities and work methods, upgrade their work level, and give full play to the exemplary and leading role of party members so that it can be guaranteed that schools always adhere to the party's basic line and to the correct orientation for running schools. A system should be established under which meetings are held on a regular basis to study educational work. By establishing and improving this system, party committees and governments at all levels should hear reports on educational work and study and address the problems in educational reform and development on a regular basis. They should have a good command of the focuses and direction of educational reform and development and let the strategy of developing education on a priority basis be manifest in their practice of leadership and their specific measures. We should establish and improve the system whereby leading cadres maintain ties with schools. Leading comrades and relevant departments at all levels should conduct investigation and study at schools in a planned manner, acquire a better understanding of how schools are run, give heed to the opinions of teaching and administrative staff as well as students, enhance the sense of responsibility for education, address problems for schools, and resolve difficulties for teachers. We should establish and improve the system for governments at the provincial, city, county, and township levels to hold the responsibility for attaining the targets for managing education.

In conclusion, He Zhukang pointed out: The phase-in of the socialist market economy system and the rapid economic development have created a powerful motivation and a favorable foundation for educational reform and development; the "outline of China's educational reform and development" has drawn a grand blueprint of our educational reform and development; and the party Central Committee and the State Council, at the

national educational work conference, further indicated a clear direction and made arrangements for educational reform and development. Under the correct leadership of the party Central Committee with Comrade Jiang Zemin as the core, let us make concerted efforts, firmly seize the opportunity, deepen reform, accelerate development, and promote Jilin's education to a new height. I believe that Jilin's education can make new and due contributions to building socialism with Chinese characteristics and to attaining the grand goal of building a developed border province near the sea.

Governor Gao Yan gave a report entitled "Mobilize the Entire Province To Implement the 'outline' and Push Jilin's Educational Reform and Development to a New Stage."

He gave five opinions on comprehensive implementation of the "outline" and acceleration of educational reform and development.

In analyzing the basic situation in Jilin's educational reform and development, Gao Yan pointed out: Party committees and governments at all levels in the province have firmly relied on science and technology to develop the province over the past few years and have achieved considerable progress in the education at all levels and of all categories. Jilin took the lead in the entire country in basically eliminating illiteracy among young and middle-aged people. Elementary compulsory education has been made universal in the province, and the nine-year compulsory education has been made universal in 50 percent of our counties (cities and districts). Vocational education has seen substantial development, and our strength in regular higher education has been enhanced. Our schools of higher learning have established complete branches of learning, of which 13 are state-level key branches of learning, 70 education centers for doctoral candidates, and nine mobile stations for postdoctoral scientific research, with students totaling 100,000. Adult education has developed fairly rapidly, the systems of on-the-job training and continued education have become increasingly better, and an initial network for rural applicable technology training has taken shape. Education of minority nationalities, special education, and preschool education have also made new headway. Our strength for running schools has been further enhanced. The overall quality of teachers has improved, with 98 percent of primary school teachers and 75 percent of middle school teachers up to the necessary educational level. Urban teachers' per capita living space has increased to 6.8 square meters, conditions for running schools have improved, and fewer than 0.4 percent of primary and middle school houses are deemed dangerous. Educational reform has been deepened step by step. The capacity of education for serving economic construction has been enhanced.

Speaking on the major targets and tasks of Jilin's educational development, Gao Yan pointed out: A developed border province near the sea should have developed

education, and building a developed border province near the sea depends on developed education. The provincial party committee and government have defined the general targets of Jilin's educational development to be attained by the end of this century as to extend the average schooling period of all the people to eight and a half years; to achieve substantial development in the pre- and post-job education of urban and rural laborers; to make the total number of specialized personnel basically satisfy the demand; and to establish an initial and basic framework of Jilin's educational system that is geared to the 21st century, compatible with the provincial conditions, rationally structured, and of a fairly high level. In the next six years, we should fulfill the following tasks: We should vigorously strengthen elementary education and universalize the nine-year compulsory education in the province. Regarding the universalization of the nine-year compulsory education as the priority of educational development, we should strive to universalize the nine-year compulsory education in the province by the end of this century. Great efforts should be made to develop diverse forms of vocational education to train sufficient junior and middle-class professionals engaged in practical work. This is an urgent task for readjusting the province's educational structure. We should develop higher education on a selective basis and improve the operation level of higher education. In the foreseeable future, the focus of the development of the province's higher education should be put on the higher professional training education in rural areas and among small and medium-sized enterprises, township and town enterprises, and the tertiary industrial units. Adult education should also be developed positively to improve the expertise of the personnel engaged in business. He said: the above-mentioned objectives for educational development have already been brought into line with the outlines of the overall strategy on building a developed border coastal province. In the course of summarizing the experience in pushing the economy to a higher stage from 1992 to 1994 and mapping out the plans for again pushing the economy to an even higher stage from 1995 to 1997, various localities and departments should define their respective educational development objectives and formulate their corresponding educational work tasks with the spirit of positively making progress and seeking truth from facts.

On how to deepen the educational structural reform in an all-round way, Gao Yan pointed out: To deepen the educational structural reform, we should change as fast as possible the pattern that the government monopolizes the operation of schools, should fully mobilize the initiative of various fields in running schools to promote the diversification of the main body to run schools, and should gradually form the new system whereby various fields in society raise funds to run schools, with the government as the main body.

We should deepen the management system reform. In elementary education, we should continue to perfect the

system of being operated and managed by the departments at different levels, and county (city) governments should be given greater power to manage elementary education. From now on, all vocational and adult schools, predominantly education of formal schooling record, should be subject to the unified management of educational administrative departments at all levels. Institutions of higher learning should be granted greater autonomy to run themselves in order to gradually set up the system that the government exercises overall management over institutions and institutions run themselves independently according to laws. All the powers belonging to institutions should be delegated to them resolutely. We should deepen the reform of enrollment and graduate employment systems of institutions of higher learning, secondary specialized schools, and technical schools. In line with the overall arrangement of the state, the present system whereby the state-assigned quotas are combined with the regulative quotas should be gradually transited to the system whereby students pay for their tuition and most graduates choose jobs by themselves. The reform of the internal management system of schools should be deepened. Elementary and middle schools should fulfill the tasks of fixing the scale, staff, position, and work amount by 1995 and should actually cut down the above-quota personnel. We should further expand the scale of the opening of education.

Gao Yan also stressed: We should comprehensively improve the quality of education with the purpose of training professionals who are well developed in an all-round manner. We should actually strengthen and improve the moral education among schools. All levels and all types of schools should conscientiously study the new circumstances and new problems they have faced in conducting moral education under the new situation of the socialist market economy, and should define the tasks and demands on moral education at different levels and positively improve the content and teaching methods of moral education according to the characteristics of physical and mental development of the students at different educational stages. At present, many schools and student parents complained about some cultural and recreational places. Various departments concerned should pay attention to it and closely coordinate with each other to strengthen control over song and dance rooms, billiards rooms, and video game rooms. Students of middle and primary schools should be strictly forbidden to enter these places. Stern measures should be adopted according to law to ban pornographic books, periodicals, and video tapes.

We should make efforts to promote integration between education and productive labor and to further straighten out educational ideology. Schools at all levels and of various categories should achieve in the following "four transformations": Efforts should be made to turn the seal-up education into an open one, to turn the modelled education into the one of stressing individual character, to turn the traditional education into a modern one, and to foster correct educational ideology suitable to the

demands of the age. We should intensify the building of teachers' contingent. Governments at all levels should increase their investments made in education of training teachers. In the first stage of the "Ninth Five-Year Plan" period, they should have all secondary schools of training teachers standardize their conditions of running schools and have all higher educational institutions of training teachers reach the standard set by the state for running schools.

Lastly, Gao Yan stressed that efforts should be made to have the government action in this regard become stronger and to implement the measures of providing a guarantee for education work. Governments at all levels should realistically put the educational work on their daily schedule and grasp the work as they did for the economy. They should achieve in giving priority to the following "five aspects": It is necessary to give priority to educational development while formulating the local overall plan of economic and social development, to give priority to the increase of educational expenses while making arrangements for local financial budgets, to give priority to the consideration of arrangements for school construction while planning urban construction and formulating the fiscal plan for capital construction, to give priority to increasing the wages of teachers and improving the housing conditions of teachers while improving the living conditions of both urban and rural people and upgrading the living treatment of staff members and workers, and to give priority to meeting the demands of schools and institutions of training teachers while conducting student enrollment and employing graduates. We should increase the input in education through multiple channels. As for the state policies of increasing educational expenses, various localities and departments must resolutely implement them to the letter and ensure the enforcement of them. In the last stage of the "Eighth Five-Year Plan" period, the province's proportion of educational expenses in its financial spending budget should reach 20 percent. Of this proportion, that at the provincial level should reach 12 percent and that at the county (county-level city) level should be not lower than 35 percent. The financial revenues of townships (towns) should be mainly used for education. Localities that are receiving the state educational funds should assuredly achieve in the "three increases" set by the central authorities. Those that have

failed to achieve in the "three increases" will not be allowed to build office buildings and guest houses and to buy sedans. Efforts should be made to conduct reform in the systems of managing educational expenses and to enhance the supervision and control over the level of educational investment. Effective 1995, the province will enforce the system of authorizing various localities to formulate their educational budget independently and achieve in integrating the right of affairs with that of finance. Efforts will be made to upgrade the social position and living treatment of teachers. In order to ensure teachers to fully receive their pay on schedule, teachers' wages in publicly-owned schools will be under the unified management of counties and those in people-run schools will be under the management of counties and be raised by townships. Efforts will be made to resolutely block the violation acts of defaulting teachers' wages and of paying defaulted wages retroactively by defaulting again. Governments at all levels should actively adopt measures to raise funds for building teachers' houses and implement the policies with priority and preference. Based on the annual special fund of 5 million yuan for building teachers' houses, the provincial level department may increase one million yuan in the fund each year from 1995. Efforts should be made to enhance the construction of educational legal systems.

Attending the today's conference were provincial-level leading personnel, including Liu Yunzhao, Wang Jinsan, Su Rong, Feng Ximing, Zhou Zaikang, Xu Zhongtian, Chen Zhenkang, Wang Guofa, Quan Zilezhu, and Wei Minxue; secretaries of city (autonomous prefecture) party committees; mayors of various cities and head of the autonomous prefecture; deputy secretaries in charge of educational work of city (autonomous prefecture) party committees; vice mayors in charge of educational work of various cities; deputy heads in charge of educational work of the autonomous prefecture; chairmen of various education commissions; leading personnel from the provincial level organs; secretaries of the party committees of various higher educational institutions; presidents and deans of various universities and colleges; principals from a number of junior colleges and middle schools; and responsible persons in charge of educational work from the key enterprises on various fronts—more than 200 persons in all.

The state education commission gave a congratulatory telegram to the conference.

Taiwan Public 'Concerned' About DPP Election Wins

HK0712140594 Beijing ZHONGGUO XINWEN SHE in Chinese 1106 GMT 6 Dec 94

[By Fu Houmin (0265 0683 7044)]

[FBIS Translated Text] Hong Kong 6 Dec (ZHONGGUO XINWEN SHE)—Elections for Taiwan "provincial governor and mayors" and "members of the provincial and city assemblies" have ended. The results show that although the Kuomintang [KMT] still has control over the overall situation and won the Taiwan governorship and Kaohsiung mayorship, it lost the important Taipei mayorship; to make matters worse, the KMT has been reduced to a minority for the first time in the Taipei City Assembly, with the Democratic Progressive Party [DPP] ending as the winner. On this point, public opinion in Taipei is worried about the expansion of the DPP's "Taiwan independence" forces, which would eventually affect Taiwan's prospects and the future development of cross-strait relations.

The recent results have a bearing on the balance of influence of the various political parties in office in Taiwan, as well as Taiwan's "Legislative Yuan" elections, which will be held in 1995, and the "presidential" general election, which will be held in 1996. Such being the case, the fact that the DPP won the Taipei mayorship as well as a certain proportion of the seats for "members of provincial and city assemblies" has aroused concern among Taiwan public opinion.

A CHUNG YANG JIH PAO editorial indicates that the fact that the DPP has won the Taipei mayorship, in addition to it being the party in office in Taipei County and Yilan County, allows it to control considerable resources in Taiwan; consequently, a situation will surface where an overall KMT-DPP confrontation might take shape in Taiwan or the DPP might gain control over the entire island step by step.

The editorial criticized the DPP for resorting to "provincial origins and tribalism" as a weapon to attack its opponent, which demonstrates that its "Taiwan independence" nature has not changed.

This is a fact; during recent electoral activities, the elected Taiwan Mayor Chen Shuibian openly used the slogan of "Taiwan Independence" and advocated determining "Taiwan's future" by a "universal ballot." The DPP even presented the slogan "Taiwanese elect Taiwanese" to openly promote the provincial mindset during the elections.

Business circles in Taiwan were universally disappointed at Chen Shuibian's election as Taipei mayor and believe that Chen's advocacy of a "ballot by citizens" to decide Taiwan's future and insistence on the "Taiwan Independence" tendency is not conducive to Taiwan's stability and prosperity, while affecting the investment intentions of entrepreneurial circles.

Straits Exchange Foundation Secretary General Chiao Jenho indicated not long ago that should a political party opposing Taiwan's mainland policy gain the upper hand, this would affect future cross-strait relations.

Viewing the DPP's seizure of the Taiwan mayorship, Chu Chaoxiang, assistant professor at the Chinese Culture University's Department of Politics, believes that under circumstance where the KMT faces an extremely great challenge, should it fail to consider readjusting its inner-party distribution of resources, change its policy, and transform its party affairs, while conducting rectification, the KMT's status as the political party in office will face even sterner tests over the next few years.

A CHUNG KUO SHIH PAO analysis indicated that the KMT setback in the recent election for Taipei mayor demonstrates that there is a question about the KMT's determination to fight "Taiwan independence." The KMT should be vigilant about it and conduct a profound review, and it should not continue to stand by doing nothing about the "Taiwan independence" forces.

New Taipei Mayor To Focus on 'Quality of Life'

HK0812041194 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0811 GMT 7 Dec 94

[FBIS Translated Text] Hong Kong 7 Dec (ZHONGGUO TONGXUN SHE)—According to a Taipei source, Taipei Mayor-elect Chen Shui-bian has stated that he will be mayor to approximately 2 million Taipei citizens and stressed that he will be free of prejudice regarding differences in tribal group, political party, and provincial origins. He said that the issue of "Taiwan Independence" in the Democratic Progressive Party [DPP] platform would have no place in his activities as mayor, and the focus of the work in his four-year tenure would be to improve the quality of life and improve the living environment. He made the above statement in an interview with Hong Kong reporters on 6 December.

Chen Shui-bian told a Hong Kong TA KUNG PAO reporter in Taipei that the DPP stressed ideological issues in past elections, and was able to win only 30-35 percent of the vote at best. Based on these results, he adopted a new strategy in his campaign for Taipei mayor and set out a neutral program of improving the quality of life to win over those floating middle-of-the-road voters. As a result, he succeeded in winning 43.6 percent of the vote and was elected Taipei mayor.

Chen Shui-bian said that, when he took office, the effective improvement of the Taipei traffic conditions would be an important focus of the city government, and attention would also be paid to improving the quality of life and improving the living environment.

Chen Shui-bian said that he would not emphasize ideology and would refrain from causing confrontations over insignificant issues; rather, he would promote the merger of tribal groups through concrete actions. He said that he would not be a Taipei mayor for the DPP, nor for

the Taiwan people, but he would be a Taipei mayor for the 2.6 million Taipei compatriots, free of prejudice regarding tribal groups, political parties, and provincial origins and serving all citizens and compatriots. Such being the case, he stressed that the "Taiwan Independence" issue in the DPP platform was not relevant to his authority and function as mayor and was something he would not show concern about or pursue.

PRC-Taiwan Meteorological Cooperation Enhanced

*OW0712142394 Beijing XINHUA in English 1401
GMT 7 Dec 94*

[FBIS Transcribed Text] Fuzhou, December 7 (XINHUA)—Meteorologists in Fujian, a coastal province in east China, and Taiwan have established close contacts for exchanges of weather forecasts, meteorological periodicals and personnel.

Fujian and Taiwan are on opposite sides of the Taiwan Strait and share similar weather conditions. Typhoons are a major natural disaster afflicting both sides.

Therefore, experts say, it is necessary for the two sides to exchange weather forecasts, especially forecasts about typhoons.

Meteorological co-operation between Fujian and Taiwan started in 1989, when the two sides opened a "hotline" to inform each other of the movements of typhoons.

In July last year a breakthrough was made in efforts to exchange personnel when Chen Tairan, chief of the Taiwan Meteorology Association, paid a visit to Fujian.

During another visit by Chen, the two sides reached agreements on regular exchanges of periodicals and information about severe natural disasters, and academic research.

Taiwan Joins Other Nations in Comfort Women Issue

OW0812083194 Taipei CNA in English 0805 GMT 8 Dec 94

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, Dec. 8 (CNA)—Taiwan Thursday [8 December] joined hands with Japan, South Korea, the United States, Germany and Australia to run ads in major local newspapers to highlight the way Japan is dealing with the issue of comfort women, or women who were forced into prostitution in Japanese military brothels during World War Two.

The Taipei Women Rescue Foundation, in response to the Japan-based international campaign to realize redress to wartime victims, ran ads in which it opposed to the Japanese Government raising money from private foundations to settle the issue.

The foundation also demanded a formal apology and appropriation by the Japanese Government for the compensation.

Shen Mei-chen, chairman of the foundation, noted that the Japanese Government announced earlier this year that it would set up a private foundation to deal with the compensation problems in the war.

The plan calls for setting up a US\$1 billion foundation to settle all the problems related to the war over the next decade, including the study of Japan's role during the war, compensation to the Koreans left on the Kuril Islands and Taiwanese conscripts served in the Japanese Army.

But the proposed plan left out comfort women, saying only that those whose lives were made difficult by the war are eligible to apply for compensation below NT [new Taiwan] \$50,000 (US\$1,910).

Shen said that international law experts reported in November that Japan had not only committed war crimes during the war, but also acted in violation of an international law prohibiting the sale of women and children.

The foundation demanded that Japanese Government deliver a formal apology and give compensation of at least US\$40,000 to each of the comfort women for their long-term mental and physical stress.

The foundation estimated that there are at least 766 Taiwan comfort women during the war. Among the 66 Taiwan comfort women who have come forward to contact the foundation, 36 are still alive.

The foundation is now planning their next major move in the Fourth World Conference on Women scheduled to take place in Beijing next year to press the issue of comfort women.

New Tobacco, Alcohol Tax System Proposed

OW0812083394 Taipei CNA in English 0753 GMT 8 Dec 94

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, Dec. 8 (CNA)—The Ministry of Finance has drafted a new taxation system for imported alcohol and tobacco products in preparation for Taiwan's entry to the General Agreement on Tariffs and Trade (GATT).

Under the ministry-proposed taxation system, ministry officials said, imported tobacco products will be taxed NT [new Taiwan] \$830 (US\$31.56) per kilogram (including customs duty and business tax).

Wine and other low-alcohol spirits will be taxed according to the alcohol content, while hard liquors, such as whisky and brandy, will be taxed in terms of quantity at the same tax rates as those for other alcohols.

The new tax rates for alcoholic beverages will all be lower than an earlier Taiwan offer in talks with the United States and other GATT members, the officials noted.

The tax rate for imported beer will also be lowered to about NT\$20 (US\$0.76) per liter from the current NT\$30 (US\$1.14), the officials said.

The officials would not reveal new tax rates for other alcoholic beverages because they are still pending further negotiations with GATT members.

At present, Taiwan has a tobacco and wine monopoly system and imposes different tax rates on alcohol from the U.S. and European countries.

After Taiwan joins GATT, the officials said, it will phase out the monopoly system and open its market to tobacco and alcoholic products from all GATT members which will all be subject to same tax rates.

Taiwan was granted GATT observer status in 1992 and is expected to become a full member next spring.

Hong Kong

Reportage on PWC Meeting in Beijing

Qian Qichen Chairs Meeting

OW0712125494 Beijing XINHUA Domestic Service in Chinese 0817 GMT 7 Dec 94

[FBIS Translated Text] Beijing, 7 Dec (XINHUA)—On 7 December, the Preliminary Working Committee [PWC] of the Preparatory Committee of the Hong Kong Special Administrative Region held a meeting of its chairman and vice chairmen in Beijing to discuss and finalize the agenda for its Fourth Plenary Session.

Qian Qichen, vice premier and PWC chairman, presided over the meeting, which was attended by Vice Chairmen Ann Tse-kai, Fok Ying-tung, Lu Ping, Zhou Nan, Jiang Enzhu, and Li Fook-sean. Chen Ziyi, PWC deputy secretary general, attended the meeting as an observer.

The PWC's Fourth Plenary Session will be held in Beijing's Great Hall of the People from 8-10 December.

More on Session

HK0812061694 Beijing ZHONGGUO XINWEN SHE in Chinese 1192 GMT 7 Dec 94

[By reporter Dong Huiseng (5516 2585 1496): "Preliminary Working Committee Holds Meeting of Chairmen"—ZHONGGUO XINWEN SHE headline]

[FBIS Translated Text] Beijing, 7 Dec (ZHONGGUO XINWEN SHE)—The meeting of chairmen of the fourth plenary session of the Preliminary Working Committee [PWC] of the Preparatory Committee for the Hong Kong Special Administrative Region was held here today. State Council Vice Premier and PWC Chairman Qian Qichen chaired the meeting.

It is reported that the PWC Fourth Plenary Session, which begins 8 December, will put more emphasis on relying on our strength to create conditions for the "rule of Hong Kong by Hong Kong people."

Since the PWC plenary session is the last one before 1995, it is attracting attention from all quarters. A relevant person said that after more than a year of intense work, the PWC has formed various comparatively mature ideas and suggestions.

This person hoped moreover that the British side will produce good faith and strengthen cooperation with the Chinese side. He said cooperation is beneficial to both sides.

According to the agenda, the PWC plenary session will last three days.

Government 'Should Work With' PWC

HK0812060594 Hong Kong SOUTH CHINA MORNING POST in English 8 Dec 94 p 6

[By So Lai-Fun in Beijing]

[FBIS Transcribed Text] The Hong Kong Government should work with the Preliminary Working Committee (PWC) on the 1997 Budget, a senior Chinese official said. Zhou N'an, head of the local branch of Xinhua (the New China News Agency), said after a meeting of senior members of the PWC that it was "the definite way to go" because the 1997 Budget would straddle the changeover. "If it was not discussed in the committee, who should pay for Hong Kong's future expenses?" he said. The details on how the mechanism should work should be deliberated in a step-by-step manner, he said.

The PWC political subgroup's Wilfred Wong Yingwai said it was good that the Government was reportedly expressing willingness to work with the future Special Administrative Region chief executive designate on budgetary matters in 1996. He dismissed claims it was a sensitive matter and said those in charge of Hong Kong affairs should have a good grasp of the subject ahead of 1997.

Beijing's think-tank on Hong Kong's economic affairs called for the Government to increase contacts with the group following a precedent set by the panel's legal affairs sub-group last week. Local co-convenor of the PWC's economic sub-group Nellie Fong Wong Kut-man said the PWC wanted more information and explanations from government officials on various topics ranging from infrastructure projects to the 1997/98 Budget. It was a waste of time if the PWC had to seek information indirectly through the Joint Liaison Group, to which the Government was providing information, she said. The PWC's support for these subjects would help the Government to ensure a smooth transition. But she foresaw a difficulty in the Government providing confidential information, and hoped the problem could be resolved in the Joint Liaison Group.

Beijing To Reject Proposals

HK0812071994 Hong Kong HONGKONG STANDARD in English 8 Dec 94 p 2

[By M Y Sung in Beijing]

[FBIS Transcribed Text] China is expected to torpedo fresh British proposals to speed up localisation of Hong Kong laws ahead of the 1997 handover of sovereignty.

A hint came yesterday from Preliminary Working Committee member Maria Tam. She said it did not matter what the British or Hong Kong governments did about the laws before 1997 because the future Special Administrative Region (SAR) authorities would decide for themselves whether laws should be modified or retained. "So it doesn't make any difference. China will simply not accept anything that infringes on its sovereignty, and laws in force after 1997 are a matter of China's sovereignty. There will be no legal vacuum because a provisional legislature will be in place when sovereignty is transferred," Ms Tam said. "In actual fact the bulk of Hong Kong laws are not in conflict with the Basic Law. Those that do (conflict) are very, very few and can be dealt with by the SAR government."

Britain has indicated it plans to present fresh proposals to China at next month's Joint Liaison Group meeting in London. This would include side-stepping "midnight legislation", which the previous Chinese JLG team leader Guo Fengmin rejected just before retiring last month.

PRC Considers Members for Groups
HK0812072694 Hong Kong EASTERN EXPRESS in English 8 Dec 94 p 1

[By Rain Ren in Beijing]

[FBIS Transcribed Text] Beijing is to reserve its own through train for its advisers while making it clear there will be no through train for Hong Kong's three tiers of government beyond the 1997 handover.

All members of the Preliminary Working Committee will automatically sit on the more powerful Preparatory Committee—a body to be set up in 1996 to handle transitional matters. The Preparatory Committee will be broader in scale than the PWC, a Beijing-appointed working panel set up in advance of the Preparatory Committee as a result of political reforms by the Governor, Chris Patten.

Sources in Beijing said the Chinese authorities were considering inviting more Hong Kong members to serve in groups dealing with issues directly affecting the transition of sovereignty.

The five sub-groups under the PWC—government and administration, economic, legal, social and order, and cultural—will remain the main aspects of work for the Preparatory Committee. Sources said the committee may set up more sub-groups if necessary. It is understood more staff from the Hong Kong and Macao Affairs Office will be transferred to become the committee's secretarial staff. This is because the work of the Preparatory Committee will be viewed as the issue of "absolute priority" for the office before the 1997 handover, the source said. The main function of the Preparatory Committee will be the preparation for the establishment of the Hong Kong Special Administrative Region and the first provisional legislative council.

Zhou Nan, the Hong Kong chief of the New China News Agency (Xinhua), said yesterday the public would have a clearer idea of the Preparatory Committee's role after the PWC's three-day plenary session, which starts today.

Moderate Voices Drowned Out
HK0812061194 Hong Kong SOUTH CHINA MORNING POST in English 8 Dec 94 p 23

[Article by Chris Yeung and Linda Choy: "Behind Closed Doors"]

[FBIS Transcribed Text] Chinese University academic Professor Lau Siu-kai said in a recent interview that he would immediately quit the Preliminary Working Committee if China wanted his seat to go to Democrat Martin Lee Chu-ming. "Somebody has to do the job. Will there be a

better one to do the job if I don't do it? It does not appear to be the case," he told a weekly magazine.

Speaking to the South China Morning Post in September last year, the pragmatist conceded he did not have lofty goals, just the modest wish of minimising damage to the territory in the aftermath of the breakdown of political co-operation. Seen by many in the academic field as a conservative, the prominent sociologist has ironically become one of the few "moderate voices" in the powerful body formed by China last year to counter Governor Chris Patten's constitutional reforms.

If there has been support and sympathy for Professor Lau's cause it is because few still harbour the illusion that China and Britain will be able to bury the hatchet and return to a full partnership in the final days of British rule. Many have also pinned their hopes on the academic to help increase the transparency of the working organ and bring the community closer to their deliberations.

After more than 18 months of work, PWC-beat reporters have observed a sense of frustration in the deeds and words of the academic—often one of the limited sources of information on the closed-door discussions. Professor Lau might not agree. But to many in the community, a more moderate voice at the PWC was barely audible as the hardline advocacy became the tenet of the day. The PWC's increasingly assertiveness and its uncompromising stance have been a source of controversy surrounding its proposals covering a wide range of issues in the past 15 months.

Still fresh in the minds of the community is the proposal by the economic sub-group that the Special Administrative Region (SAR) Land Fund should continue to operate after the 1997 change-over. A political bombshell was dropped by its political affairs subgroup in October when it indicated a clear preference for the setting up of a provisional legislature to fill the gap left by the disbanding of the Legislative Council elected in 1995. The culture sub-group, whose remit was supposedly the least controversial, has not been spared public criticism for their findings. A recommendation by the subgroup for the future SAR to consider giving recognition to degrees granted by 561 mainland universities has caused another storm. A proposal for the Joint Liaison Group to discuss putting a clause in the guidelines on textbooks that teaching materials should not go against the Basic Law led to disquiet among publishers who feared their investments might go down the drain. Moreover, the legal sub-group has helped deepen uncertainty over a spate of amendments by warning that "drastic" changes to laws such as the Society Ordinance as well as the Public Orders Ordinance might be repealed after the changeover. Rather than paving the way for a smoother changeover, the PWC has, perhaps unintentionally, created more problems.

Fresh controversy has also erupted over a plan by the sub-groups to impose a news black-out on their group discussions as some members pointed to media reports which they considered inaccurate. A senior mainland official defended their secrecy rules. "There are always different opinions on a single issue before a mature view

is formed. It will also create confusion if different ideas are made public. It brings no benefit to the discussion. The preparatory work for the setting up of the SAR hinged upon a lot of concrete issues that cannot be discussed publicly, especially under the present situation," the official said. The official admitted that issues concerning the transition have become extremely sensitive since the breakdown in Sino-British co-operation.

Some PWC members likened their work to the Executive Council's, arguing that the confidentiality rule has to be adopted. Figures in the pro-China camp hold the view that there will be no end to controversy if the "leftist" line remains. "They (local PWC members) only speak what the Beijing Government wants to listen to ... That's the rule of the game. Once you play the game you have to speak their language." A Hong Kong Affairs Adviser said PWC members did not know how to present their ideas in a better package. "Some PWC members also do not know what Hong Kong people want," he said. Another pro-China figure who himself was against the idea of a provisional legislature is resigned to the fact that there is now no room for compromising voices. "The Chinese officials have already become insensitive to the criticisms made by Hong Kong people. They think that they will be criticised no matter what they proposed. They just do not bother anymore now," he said. Beijing leaders believed, perhaps rightly but sadly, that the community would accept as a fait accompli proposals such as the provisional legislature.

Dr Leung Kwan-kwok, a public administration lecturer at the City Polytechnic University, believes the provisional legislature was only a means to keep certain political players out of the game. He suggested that the National People's Congress and its standing committee be asked to make laws for the SAR while the Preparatory Committee lays the groundwork for the election to the first SAR legislature. He criticised the adoption of the provisional legislature as a sign that "even the pro-China figures do not have confidence in the national lawmaking body of China". "If we can accept the fact that the NPC promulgates the Basic Law why can't we accept it takes up the job of legislating for crucial laws at a time when there is a legislative vacuum in Hong Kong?" He called the provisional legislature a regression for Hong Kong's political development.

Dr Leung's proposal might need further debate. But he has made a significant point—that solutions to strive for a smooth transition should be within the boundary of the Basic Law. Disputes over academic qualifications and professional accreditation as well as textbooks would simply not exist in the first place, because the solutions are already spelled out under the Basic Law.

In the next three days, PWC members will discuss the work reports compiled by its five sub-groups on its preliminary conclusions. Despite criticism over the provisional legislature proposal, the members are ready to conclude that it was the only real option. As Professor Lau, who has been a strong advocate of the provisional legislature pointed out, the next stage of work would be further discussion on its powers and responsibilities. He

believes there should be more definition of the role of the provisional body and he suggested the formulation of election laws should not be a responsibility of the provisional legislature. Instead, the Preparatory Committee should have the full power to map out the laws.

Chinese officials have insisted time is running short and preparatory work needs to be speeded up. But that is no excuse for hasty decisions on crucial matters such as the formation of a provisional legislature, on which more thorough consultation and studies are imperative.

Details Being Hammered Out

HK0812072494 Hong Kong SOUTH CHINA MORNING POST in English 8 Dec 94 p 1

[By Linda Choy in Beijing]

[FBIS Transcribed Text] Details of how China plans to form the powerful Preparatory Committee for post-1997 Hong Kong should be known by the end of this week, according to senior Chinese official Zhou Nan.

Chinese officials were quoted as saying in private discussions that the committee, to be formed in 1996, should consist of 180 members. The committee will form a 400-member Selection Committee to choose the first chief executive of the Special Administrative Region. Mr Zhou, director of the local branch of Xinhua (the New China News Agency), declined to confirm whether the size of the Preparatory Committee would be 180. Sources said Beijing was contemplating a range of between 150 and 200.

Details of setting up the committee will be contained in a work report of the political affairs sub-group to be tabled at a full meeting of the Preliminary Working Committee (PWC). Mr Zhou was speaking after attending a meeting of senior members of the PWC, which is chaired by Vice-Premier Qian Qichen, to finalise details of the three-day plenum beginning today.

The China News Service said last night Mr Qian would emphasise at the meeting the need to "rely on their own strength" to create favourable conditions for the implementation of the policy of "Hong Kong people ruling Hong Kong". It quoted a source as saying "several mature recommendations" have been reached by the subgroups following more than a year of hectic work.

Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office and PWC Secretary-General, will hold a press conference at the end of the plenum.

PWC member Wilfred Wong Ying-wai, a former senior civil servant, said the concerns of the civil service might not be truly reflected, even though they might be invited to join the future Preparatory Committee. Mr Wong, leader of a PWC working group on civil service affairs and former deputy secretary for the Civil Service, said civil servants' concerns could be reflected through other communication channels with the Preparatory Committee. "I cannot say at this stage whether we should or should not recruit serving civil servants, but even if they join the committee, they would still be the minority with a limited level of influence," he said.

Mr Wong said that the political sub-group would discuss the matter further, but the question would also hinge on the Hong Kong Government's attitude. It was important to define clearly whether civil servants should serve on the committee or as advisers.

Sino-British Joint Liaison Group To Meet in London
*OW0712132594 Beijing XINHUA in English 1304
GMT 7 Dec 94*

[FBIS Transcribed Text] Hong Kong, December 7 (XINHUA)—The 31st meeting of the Sino-British Joint Liaison Group will be held in London from December 14 to 16, the Chinese team of the group announced today.

The Chinese team present at the meeting will be senior representative Zhao Jihua, representatives Chen Zuoer, Yang Youyong, Liu Junbao, Wang Weiyang as well as other relevant experts and staff.

No Privileges for Mainland Firms After 1997
*HK0712131094 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1113 GMT 24 Nov 94*

[By Hsi Ching-bin (2457 3237 1755)]

[FBIS Translated Text] Hong Kong 24 Nov (ZHONGGUO TONGXUN SHE)—With accumulated investment in Hong Kong reaching \$25 billion, exceeding U.S. and Japanese investment and next only to Britain, Chinese firms have become the second largest investor in Hong Kong after local firms, while taking an active part in the development of various economic fields in Hong Kong. Will Chinese-funded firms in Hong Kong enjoy special privileges after 1997 when sovereignty over Hong Kong returns to China? This is an issue of concern among Hong Kong investors and residents.

At a seminar sponsored by the Preliminary Working Committee Economics Sub-Group in Hong Kong yesterday, several ministerial-level officials from China set people's minds at ease. Unanimously, they stated that after 1997, Chinese-funded firms will not enjoy special privileges in Hong Kong and that the Chinese Government has always required Chinese-funded firms in Hong Kong to follow Hong Kong's "rules of the game," to operate in accordance with the law, and to participate in fair competition.

Gao Shangquan, vice president of the China Society for the Study of Restructuring the Economy, indicated that the central government required Chinese-funded firms in Hong Kong to observe Hong Kong laws and decrees and to participate in competition on an equal footing. Should Chinese-funded firms violate Hong Kong laws after 1997, they will come under legal sanction in Hong Kong, and the central government would by no means protect them. To implement one country, two systems to maintain Hong Kong's prosperity and stability is the Chinese Government's basic state policy toward Hong Kong, which requires the imperative of maintaining Hong Kong's capitalist free market environment characterized by its plural capital structure and fair competition.

Yu Xiaosong, vice minister of the State Economic and Trade Commission, stated that after 1997, the central government would continue to regard investment by mainland enterprises as overseas investment, and this would be administered in accordance with the existing mainland procedures on overseas investment. The organization and establishment, and capital transfers by all companies set up to invest in Hong Kong, requires the approval of the responsible departments of the State Council to avoid the phenomenon where mainland enterprises rush headlong to set up companies in Hong Kong and to ensure the normal and orderly development of economic and trade relations between the two sides.

In addition, Hong Kong entrepreneur Li Ka-shing also held the view that, at present, Chinese and foreign investment in Hong Kong was largely engaged in fair competition, and he believed that this would remain the same after 1997: Chinese-funded firms would not enjoy special privileges. Because only through fair competition in a complete and perfect investment environment will it be possible for Hong Kong to successfully attract local and overseas capital and to give play to the creativity of Hong Kong people. This is also the basis for future prosperity and stability.

The latest statistics show that there are 1,658 Chinese-funded firms involved in various trades, including banking, trade, telecommunications, transportation, tourism, construction, real estate, labor services, publishing, and retail sales, and they play an important role in economic activities in Hong Kong.

PRC Official Stresses Independence of Tax System
*HK0812082394 Beijing ZHONGGUO XINWEN SHE
in Chinese 0946 GMT 23 Nov 94*

[FBIS Translated Text] Hong Kong, 23 Nov (ZHONGGUO XINWEN SHE)—Xiang Huai Cheng, deputy director of the State General Administration of Taxation, today explained the principles on handling taxes between the mainland and Hong Kong after China resumes the exercise of sovereignty over the territory in 1997. He made the explanations at the "Seminar on Economic and Trade Relations Between the Mainland and Hong Kong After 1997."

On whether the mainland taxation policy, law, and regulations will apply to Hong Kong after July 1997, Xiang Huai Cheng said: In accordance with the Hong Kong Basic Law, as a special administrative region [SAR] enjoying a high degree of autonomy, Hong Kong will exercise independent legal and taxation systems. The Hong Kong SAR will follow Hong Kong's original policy of low taxes, will legislate its own laws, and will decide its own tax categories, tax rates, tax exemptions, and other matters related to taxation. Therefore, after the PRC resumes the exercise of sovereignty over Hong Kong in 1997, the mainland tax law and regulations will apply to the Hong Kong SAR.

On whether Hong Kong compatriots will continue to enjoy preferential tax treatment when investing on the mainland

after July 1997, he indicated: When investing on the mainland after July 1997, Hong Kong compatriots will enjoy more preferential tax treatment than foreign investors, who must pay taxes according to the relevant tax laws. By virtue of the relevant tax laws and regulations, Hong Kong-invested enterprises established on the mainland—both before and after 1 July 1997—will enjoy the same preferential tax treatment as other foreign-invested enterprises.

On taxation issues between the mainland and Hong Kong and international tax relations after July 1997, he pointed out: Bilateral taxation issues between the mainland and Hong Kong only constitute problems between regions under different systems but within one sovereign country. Therefore, transregional taxation issues between the mainland and Hong Kong after China resumes the exercise of sovereignty over the territory are an internal affair of the PRC.

These matters will be resolved by the central people's government's taxation authorities and the Hong Kong SAR's taxation authorities through consultations.

On whether agreements signed before and after 1997 between the Chinese Government and foreign governments on the prevention of double taxation and tax evasion will apply to the Hong Kong SAR, he said: So far China has signed taxation agreements with almost 40 countries. Applicable tax categories listed in these agreements only include the existing tax categories on the mainland. Because these tax categories are not suitable for Hong Kong now or after 1997, these taxation agreements will not apply to Hong Kong. Article 153 of the Basic Law provides that international agreements, including taxation agreements, signed between the PRC and other countries may apply to Hong Kong after the signatory countries have been consulted and the SAR Government's opinion has been solicited. He added, however: The Hong Kong Basic Law provides an independent taxation system and tax categories which are completely different from those on the mainland. When talking about signing an agreement with a country, it is hard for us to mix the two entirely different taxation systems. Therefore, whether taxation agreements signed between the PRC and other countries after 1997 will apply to Hong Kong depends on the above situation. [sentence as published]

He reiterated: After 1997, Hong Kong may, by virtue of the relevant provisions of the Basic Law, maintain and develop taxation relations, or sign and implement taxation agreements with other countries, regions, and international organizations under the name "Hong Kong, China."

Paper Views Human Rights Post-1997

*HK0712145594 Hong Kong TA KUNG PAO in Chinese
3 Dec 94 p 2*

[Editorial: "Human Rights in Future Hong Kong Will Be Ensured By Basic Law"]

[FBIS Translated Text] Recently, there have been an increasing clamor advocating so-called "human rights."

There are already concrete stipulations and sufficient guarantees in the Basic Law on the basic rights and freedoms of

Hong Kong residents after 1997. However, the British Hong Kong authorities and a small number of pro-British elements have created the fallacies that Hong Kong's human rights will be threatened after 1997 and they need protection from the international community, trying to force the Chinese Government to submit a report on Hong Kong's human rights situation to the United Nations after 1997.

On the occasion of attending a meeting of the UN Committee on Economic, Social, and Cultural Rights, Christine Loh Kung-wai brazenly attacked China, saying that Hong Kong can continue to develop its economy and enjoy all kinds of human rights only when it is not under the rule of China, that the Hong Kong people are worrying about their loss of autonomy after 1997, and that Hong Kong's human rights should be supervised by the United Nations.

What does all this mean? Is it true that one will feel warmer, enjoy more freedom, and be better protected when living under another's roof than in the embrace of one's mother? How can there be such strange things on earth? Some people believe that Hong Kong can enjoy all kinds of human rights only when it is occupied by Britain and under colonialist rule and will lose all human rights once it returns to the embrace of the motherland and is ruled by the people of Hong Kong by practicing a high degree of autonomy. This is entirely an expression of the slave mentality, which believes that "colonialism is a meritorious deed."

Colonialism is antagonistic to human rights. The "Draft Resolution on the New Concept of Human Rights" adopted by the UN General Assembly in 1977 pointed out: "All human rights and basic freedoms are interrelated and unseparated." "Racial segregation, racial discrimination in various forms, colonialism, foreign rule and occupation, aggression and threatening national sovereignty, unity, territorial integrity, and refusal to recognize the national self-decision right and the basic rights of various countries to exercise full sovereignty over their natural wealth and resources have all created a situation, which is itself a large-scale and serious violation of all human rights and basic freedoms of the people of various countries and all individuals." This new concept of human rights has been widely accepted by the international community. Those who are singing the praises of British colonialism have all done exactly the opposite. Judging from what they have done, the so-called "human rights" they are pursuing are by no means the basic rights and freedoms of the great majority of the compatriots who love the motherland and Hong Kong. Rather, they are the "rights" and "freedoms" of a small number of pro-British elements to fight against China, disturb Hong Kong, and preserve the interests of colonialism.

The British Hong Kong authorities have also spread another view: After 1997, the Chinese Government should submit a report to the United Nations on Hong Kong's human rights situation. This is stipulated by the Sino-British Joint Declaration. If the Chinese Government refuses to submit this report, it will violate the Joint Declaration.

After reading through all articles of the Joint Declaration, we cannot find any stipulations on this. The Joint Declaration says the provisions of the "International Covenant on Civil and Political Rights" and the "International Covenant on Economic, Social, and Cultural Rights" as applied to Hong Kong will remain in force. This does not mean that the Chinese Government will have the responsibility and duty to submit a report on Hong Kong's human rights situation to the United Nations after 1997.

China is not a signatory state to these two covenants and has no responsibility for performing the duties prescribed therein. Moreover, even in the two covenants, there are no such stipulations that a country should submit a report on a region's human rights situation to the United Nations. Has Britain, a signatory state to the two human rights covenants, ever submitted any reports on the human rights situation in North Ireland to the United Nations? Why does it require a country, which is not a signatory state to the covenants, to submit reports on the human rights situation of one of its regions?

The Joint Declaration says the provisions of the two international covenants on human rights as applied to Hong Kong will remain in force. It does not say that Britain's practice of submitting a report on Hong Kong's human rights situation to the United Nations will remain in force in China. When quoting these passages, some people have intentionally omitted a very important sentence immediately following the words "remain in force": "And shall be implemented through the laws of the Hong Kong Special Administrative Region [SAR]." (Article 38 of the Basic Law) The meaning of this sentence is definite. How the relevant provisions of the two international covenants on human rights, as applied to Hong Kong, will be implemented after 1997 is a matter for the future Hong Kong SAR and an internal affair of China. It brooks no intervention by the British Hong Kong authorities. Chris Patten is trying to force the Chinese Government to submit a report on Hong Kong's human rights situation to the United Nations after 1997. This is a violation of the Joint Declaration and the Basic Law and an interference in China's internal affairs.

Still some other people declared that if there is no report on Hong Kong's human rights situation submitted to the United Nations, this will mean a retrogression.

Retrogression?! Whether Hong Kong makes progress or goes backward in the field of human rights is not decided by whether it submits a human rights report to the United Nations. It is decided by what policies the sovereign state adopts in this respect. We can be sure that after 1997, Hong Kong's human rights situation will be better than before 1997. The reasons are: First, with Hong Kong's return to the embrace of the motherland, the colonialist rule riding roughshod over the people of Hong Kong, which is extremely antagonistic to human rights, will be ended. Second, as the Chinese Government will firmly and resolutely ensure the implementation of the Basic Law, which fully reflects Hong Kong's human rights, the objectives of

"One Country, Two Systems," Hong Kong being administered by the Hong Kong people, and a high degree of autonomy will be achieved completely. Third, as economy is the basis for improving human rights, with the deepening and expanding of reform and opening up in the motherland and the more vigorous support it will provide for Hong Kong, Hong Kong's economy will continue to develop and flourish. All this will create good conditions for the continuous improvement of Hong Kong's human rights situation.

In order to protect the "rights" and "freedoms" of a small number of followers and provide them with a larger political space so that they may achieve the purpose of extending the colonialist rule, the British side has been vigorously advocating "human rights" and trying to exert pressure on China through the international community. This is the essence of their clamor demanding that the Chinese Government submit a report on Hong Kong's human rights situation to the United Nations after 1997. Just like the international card they played when pursuing the so-called "democratic political structure," the international card they are playing today on the "human rights" issue is also an expression which shows that they are at an impasse.

Relations Clause Dropped From Film Censorship Law

HK0812060394 Hong Kong SOUTH CHINA MORNING POST in English 8 Dec 94 p 6

[Unattributed report]

[FBIS Transcribed Text] The controversial "good relations" clause in the Film Censorship Ordinance was dropped yesterday, with no objection from either legislators or officials.

Democratic Party leader Martin Lee Chu-ming, who moved a private member's bill to delete the clause, said the purpose of his bill was to remove the power of the executive to cut or ban a film on political grounds. The bill aimed to delete section 10.2 (C), which empowered censors to ban a film if "there is a likelihood that the exhibition of the film would seriously damage good relations with other territories". It also sought to amend section 10.3 (D) so censors, while deciding whether to ban or cut a film, should take into account the Bill of Rights.

Mr Lee said: "Now with 1997 coming, this Draconian law should gradually be done away with. We do not need a guardian to tell us what we can and what we can't watch."

Secretary for Recreation and Culture James So Yiu-cho said the two proposed amended sections from the ordinance were not in breach of the Bill of Rights and the international covenants on civil and political rights. However, the amendments would not affect the primary objective of the ordinance, which was to protect young people from exposure to excessive violence, sex and obscene behaviour in films.

The controversial so-called "good relations" clause had been used only once since it came into existence in 1988. A

Taiwanese film—Mainland 1989—which touched on the June 4 killings in Beijing that year was excised but not banned.

The head of the Culture and Sports Department of Xinhua (the New China News Agency), Wu Weili, commented previously that the amendment would not survive even if it became law, after 1997 without China's consent. However, Mr Lee said that the success in dropping these two sections was "moving in a positive direction towards safeguarding the civil liberty of the citizens".

Editorial Welcomes Amendment of Film Censorship Law

HK0812072294 Hong Kong HONGKONG STANDARD in English 8 Dec 94 p 12

[Editorial: "Political Censorship Has No Place in HK"]

[FBIS Transcribed Text] From a famous director comes a splendid movie. He has that great first essential, an absolute determination to communicate. He passionately wants to plant in our minds his theme, his whole theme and nothing but his theme.

But he has reckoned without the censor and his well-worn scissors. Fiendishly the blades meet the celluloid, slicing and hacking at sections of footage that the public will never see. Does the film criticise China? Out! Does it dwell on the events of June 4, 1989? Out! Does it prominently feature Tibet, make glowing references to democracy in Hong Kong or press the case of dissidents in the mainland? Out! Out! Out!

This newspaper has a vested interest in freedom of speech and will strenuously defend that freedom because information is power and the best place for power is in the hands of the people. That's why we welcome the passage yesterday of an important amendment to the Film Censorship Ordinance. Legislators gave overwhelming support to a Private Member's Bill calling for the removal of political censorship of films from the law books.

The bill was moved by Democratic Party leader Martin Lee who has rightly described the ordinance as a clear and unwarranted intrusion into the lives of Hong Kong people. We agree with Mr Lee that "citizens of Hong Kong should be able to—and be capable of—deciding for themselves what sort of films they wish to see".

The most controversial section of the ordinance was a clause which allowed government censorship of films if "there is a likelihood that the exhibition of the film would seriously damage good relations with other territories". Consistency has never been one of the strong points of film censorship in Hong Kong. And this clause was never administered even-handedly. Scenes in films about China which might have angered Beijing ended up on the cutting room floor. But Cry Freedom, a movie about black political activist Steve Biko, escaped the censor's scissors in the late 1980s, despite possible offence to the South African government of that era. Critics justifiably noted that the clause was merely a hypocritical euphemism for a ban on films offending China.

To no one's surprise, Beijing opposed Mr Lee's bill. And his amendment may not survive long after 1997. We still believe, however, that the ordinance had to be amended. As Mr Lee correctly said, the political censorship of films not only violated the Bill of Rights, but was unsuitable to the trend of the 1990s when communication was well developed in Hong Kong and where different political views could be expressed. "The boulder blocking the road has to be removed," Mr Lee said. "If others don't remove it, we have to do so by ourselves. The road to freedom begins with the removal of such boulders." Kicking off the debate, Mr Lee described the existing ordinance as "a discoloured page in Hong Kong's history". That says it all.

Editorial Urges Probe of Villagers' Complaints

HK0812060994 Hong Kong SOUTH CHINA MORNING POST in English 8 Dec 94 p 22

[Editorial: "Justice in Shenzhen"]

[FBIS Transcribed Text] As the argument gathers pace over the arrest and alleged beating of three Hong Kong residents and five mainlanders by Public Security Bureau (PSB) officers in Shenzhen, deciding who is right becomes increasingly complicated. Neither the land dispute at the heart of the disagreement nor questions of which side attacked the other first—and in what strength—can be settled in these columns.

What is clear, however, is that the publicity the residents of Heng Longgang village and their relatives here have gained for themselves by their courageous decision to speak openly to the news media has won them the chance of more even-handed treatment.

The intervention of politicians—and Hong Kong Affairs Advisers Chan Yuen-han and Cheng Kai-nam—has ensured the authorities have to tell their version of the story, rather than carry on as if the public deserved no explanation of what has happened. The Shenzhen authorities have also been forced to establish a panel to settle the original dispute, which may result in a more balanced examination of the villagers' grievances than would otherwise have been forthcoming.

Moreover, if allegations of violence on the part of the PSB and of intimidation by village officials are correct, putting the Hong Kong spotlight on the affair will make it much harder for those in authority to abuse their power further.

However, while the short-term prospects are good, it would be premature to imagine the dispute will automatically be settled in the villagers' favour—if indeed their claims are just—or that their problems will go away. The enjoyment of arbitrary power by petty officials is deeply entrenched. If there has been intimidation and no one has been arrested or reprimanded, the villagers' protests will have been of little long-term help. Unless those in a position to oversee the behaviour of village officials and PSB officers are prepared to keep up the pressure, it is likely the intimidation will begin again as soon as Hong Kong's attention starts to fade.

In the meantime, however, there is an urgent need to establish the facts of the case so far. Hospital officials should be asked by the authorities to document the injuries of the 10 mainlanders who claim to have been beaten by PSB officers with electric batons at the weekend. Particular attention should be paid to the injuries of those who were detained, including the injuries of Ng Oi-yung, who is suspected of attacking PSB officers during the confrontation. Whatever Ms Ng is accused of, she is entitled to the same justice as the other villagers. It is not enough for the Shenzhen municipal spokesman Li Xiaogan to state that PSB officers are not allowed to assault people, as if that were proof they had not done so. If they have assaulted anyone illegally, they should be disciplined.

Finding a satisfactory conclusion to the Heng Longgang dispute does not end with setting up a panel to investigate. It also involves ensuring that justice is done.

Editorial Views Press Freedom, UK Media 'Attacks'

HK0812082194 Hong Kong TA KUNG PAO in Chinese
8 Dec 94 p 2

[Editorial: "This Is Not the Press Freedom Hong Kong People Are Happy To See"]

[FBIS Translated Text] Several days ago, Chinese Ambassador to Britain Ma Yuzhen wrote a letter to THE TIMES, refuting the lie carried in the paper that China executes criminals in order to take their organs for transplant surgery and solemnly pointing out that this is a vicious vilification of China.

THE TIMES is an influential paper in Britain. It is absolutely not accidental for such an unreal and deceptive article to be reported in the paper. It really calls for deep thought when we associate the report with the videotapes the British Broadcasting Corporation [BBC] has repeatedly made in recent years to vilify China.

By carefully piecing together bits of information from here and there, BBC made and broadcast the "Last Chinese Emperor, Mao Zedong," defaming and insulting the Chinese people's leader.

In May, using the same method, BBC produced what they called a video on Xinjiang No. 2 Prison, inventing the sensational rumor that "China currently has some 10 million people serving their terms in Xinjiang" (in fact, the total number of prisoners across the country is only a little more than one-tenth of that and is approximately the same as that of United States), and that "one-third of the goods available in Xinjiang's shops are produced in prisons."

Not long ago, using the same mean trick of piecing and inventing, BBC and THE TIMES closely cooperated in inventing a videotape on what they called China's transplanting of the organs of dead criminals. The tape changed what was originally hospital-conducted cardiac surgery under extracorporeal circulation into a scene that was called a transplant operation using the kidneys of dead criminals. Many other scenes, including interviews with two male

patients, the lawn where the inventors stood, the buildings, and other backdrops, were not shot in the hospital. The so-called fact that the "hospital was full of patients from Hong Kong, Taiwan, Europe, and the United States looking for new organs" is a complete fabrication.

For their attacks on China, these British media have gone to great lengths in their choice of subjects and methods. Their ugly political motives are also very much undisguised. By vilifying and attacking the leader of the Chinese people and the founder of socialist China, they intend to darken China's glorious history and China's socialist system. By exaggerating the prison and criminal story, fabricating material, and spreading rumors, they intend to attack China for their "serious human rights problem" with a view to deceiving international opinion. But lies are lies. They will not be able achieve their objectives.

Chris Patten has contributed to British papers many times, slandering Hong Kong media, saying that they "play a deplorable role kowtowing to the Chinese side." One would then ask: Is Patten going to let Hong Kong media become warriors that attack China like BBC and THE TIMES do?

Under the pretext of "defending press freedom," Patten has long brewed and encouraged revising some current laws which are alleged to threaten press freedom. In his third policy address, he said that 53 different articles in 27 regulations had been studied and that 37 would be revised "so as to remove the limitations the regulations place on press freedom."

British colonialists have ruled Hong Kong for more than 100 years, during which they have always kept strict control over its media and have never granted real press freedom to Hong Kong people. Hong Kong is going to revert to the motherland soon, but Patten vigorously advocates the removal of limitations on press freedom. What does this show other than the British side's attempt to change Hong Kong media into a tool that some people can use as they please to confront China and to throw Hong Kong into confusion?

Freedom in all societies has limitations. When making the provision that "everyone has the right to express his view," the "International Convention on Civil Rights and Political Rights" states that this freedom "must have some limitations": First, it has to "respect the rights and reputation of others," and second, it has to "safeguard national security, public order, public health, or morality." When exercising his press freedom, a person must not harm the rights and reputation of others. He must not endanger national security or public order and must not violate the morals that others observe. These are limitations. They are necessary and must not be removed. It is extremely immoral, however, for Britain's BBC and THE TIMES to vilify China and insult the Chinese people's leader by the mean trick of piecing together bits of information from here and there and inventing stories. They are naturally denounced by the Chinese side.

Yesterday, Martin Lee Chu-ming's private bill on the amendment of the Film Censorship Ordinance was

passed in the Legislative Council. The bill has deleted provisions on the question of whether a film's showing will seriously harm the good relations between Hong Kong and its neighboring regions should be taken into consideration before it can be approved for public viewing. This was in line with the "removal of limitations on press freedom" as prepared by Chris Patten. By removing this kind of limitation, they are simply attempting to introduce into Hong Kong malevolent and mean films like the BBC's, sow discord in Hong Kong-mainland relations, fan sentiments confronting the Chinese side, and play havoc with the social stability of Hong Kong and mainland. Introducing this kind of film without setting limitations means introducing confrontation that will lead to unrest. If so, Hong Kong will be the first to suffer. This is absolutely not the press freedom Hong Kong people are happy to see.

Antigua Consul Loses Post Over Sales of Documents

HK0812061394 Hong Kong EASTERN EXPRESS in English 8 Dec 94 p 6

[By Niall Fraser]

[FBIS Transcribed Text] The Antiguan honorary consul to Hong Kong is almost certain to be sacked after a three-month investigation by his government found him guilty of

illegally issuing travel documents. The diplomat, Bill Cheung, who last month protested his innocence, has been described as the "former honorary consul to Hong Kong" in a six-page report into a passports-for-sale scandal published yesterday. Cheung was suspended from his position at the beginning of September this year amid claims that he had "sold" travel documents to Hong Kong and mainland Chinese for 20 times their face value of US\$10 (HK\$78). Officials from the tiny Caribbean nation were unavailable for comment last night.

The investigation was commissioned by the Antiguan and Barbudan Prime Minister, Lester Bird, and clearly pointed the finger at Cheung. The government's report states: "The study shows that such visas as were issued by Bill Cheung without approval were illegally issued."

Opposition figures in the Antiguan parliament have claimed that the country's Prime Minister and senior cabinet members were also involved in the passports-for-sale scandal. But the report says: "None of the officers in the ministry received monetary or any other consideration, reward or benefit during their official relationship with Bill Cheung." Bird recently denied any involvement.

On November 24 Cheung said that he was "100 percent certain" of getting his job back. He said he was innocent of any wrongdoing and expected to be working out of the consular office in Star House, Tsim Sha Tsui, "by the end of the year".

It is not known how many passports were "sold" but a copy of one of the visas issued by Cheung, obtained by an Antiguan newspaper, bears the number 9,230,000. It is believed that Chinese from the territory and the mainland were using the travel documents as a means of gaining entry to the United States.

In a bizarre twist to the saga, Cheung claimed that he was kidnapped and assaulted by a gang of Chinese men during a visit to the Antiguan capital, St Johns. It is understood that

the gang believed that Cheung had broken an agreement to supply them with travel documents.

The Antiguan government has cleared Cheung of having wrongly issued diplomatic passports to his wife and children. Cheung, who worked for the Antiguan government for two years, left consular staff in a quandary in September when he vanished without leaving a contact number or address. A spokesman at the consular office said last night that Cheung was in Guangzhou.

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